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REPORT
100–235

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1988

DECEMBER 4 (legislative day, DECEMBER 3), 1987.—Ordered to be printed

Mr. STENNIS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 1923]

The Committee on Appropriations reports the bill (S. 1923) making appropriations for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes, and submits the following explanation of its recommendations. Information is herewith presented relative to changes made:

Total of bill as reported to Senate:	
New obligational authority	$278,044,604,000
Rescissions	−3,548,140,000
Other adjustments	152,300,000
Net funding available	274,648,764,000
Total of 1988 budget estimate	294,040,208,000
Amount of House allowance (net)	263,029,811,000
Amount of fiscal year 1987 enacted (net)	270,378,569,000
The bill as reported to the Senate:	
Below fiscal year 1988 budget estimate	19,391,444,000
Above the House allowance	11,618,953,000
Over enacted appropriations for fiscal year 1987	4,270,195,000

S183-14

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BACKGROUND

PURPOSE OF THE BILL

The purpose of this bill is to make appropriations for the military functions of the Department of Defense for the period October 1, 1987 through September 30, 1988. Functional areas include the pay, allowances and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation. Appropriations for military assistance, military construction, family housing, nuclear warheads, and civil defense are provided in other bills.

HEARINGS

The Subcommittee on Department of Defense Appropriations began hearings on the fiscal year 1988 budget request on February 3, 1987, and concluded them on May 19, 1987, after 16 separate sessions. The subcommittee heard testimony from representatives of the Department of Defense, other Federal agencies, and from the general public. Approximately 2,500 pages of transcript were taken, the unclassified portions of which constitute the four-volume public record of testimony on this budget request.

SUMMARY OF BILL

The Committee considered a total fiscal year 1988 budget request of $293,887,908,000 in new obligational authority for the military functions of the Department of Defense, excluding military assistance, military construction, family housing and civil defense. The following table displays the major recommendations:

[In thousands of dollars]

	Fiscal year 1987 enacted	Fiscal year 1988 request	House allowance	Committee recommendation
Title I—Military personnel	72,737,378	76,299,200	75,297,165	75,448,414
Title II—Operation and maintenance	79,156,276	86,064,694	80,675,318	80,684,634
Title III—Procurement	85,270,017	83,886,671	73,923,483	83,194,015
Title IV—Research, development, test, and evaluation	35,922,210	43,676,637	35,647,374	36,704,513
Special foreign currency program	3,500			
Title V—Revolving funds	650,672	1,201,214	881,214	881,214
Title VI—Chemical agents and munitions destruction, Defense	118,700	87,400	198,500	198,500
Title VII—Related agencies	197,693	158,972	157,200	158,314
Title VIII—General provisions	1,561,000	2,513,120		775,000
(Additional transfer authority, sec. 9015)	(1,100,000)	(1,500,000)	(1,500,000)	(1,100,000)
Total, Department of Defense (New obligational authority)	275,617,446	293,887,908	266,780,254	278,044,604
(Transfer authority)	(1,100,000)	(1,500,000)	(1,500,000)	(1,100,000)
Rescissions	-5,323,877		-3,902,743	-3,548,140
Other adjustments	85,000	152,300	152,300	152,300
Net funding available	270,378,569	294,040,208	263,029,811	274,648,764
Distribution by organizational component:				
Army	71,400,343	75,967,624	71,983,091	73,073,571
Navy	92,926,227	98,949,922	90,337,572	98,726,461
Air Force	91,285,339	97,303,367	87,679,085	87,352,683
Defense agencies/OSD	17,571,144	18,907,503	15,512,806	16,844,075
Reserve and National Guard procurement	557,000		912,000	916,000
Chemical agents and munitions destruction, Defense	118,700	87,400	198,500	198,500
Related agencies	197,693	158,972	157,200	158,314
Military and civilian pay raise	1,911,000	2,513,120		775,000
Retired pay accrual change	-350,000			
Total, Department of Defense (New obligational authority)	275,617,446	293,887,908	266,780,254	278,044,604
(Transfer authority)	(1,100,000)	(1,500,000)	(1,500,000)	(1,100,000)
Rescissions	-5,323,877		-3,902,743	-3,548,140
Other adjustments	85,000	152,300	152,300	152,300
Net funding available	270,378,569	294,040,208	263,029,811	274,648,764

TRENDS IN BUDGETS, MANPOWER, AND FORCES

Budget Trends

Between 1980 and 1985, national defense budget authority increased every year in real terms. Since 1985, however, budget authority has declined in real terms. See following table:

NATIONAL DEFENSE BUDGET AUTHORITY (050)

[Dollars in billions]

Fiscal year	Current	Constant 1988	Percent real change from prior year
1980 actual	$143.9	$208.0	
1981 actual	180.0	234.0	12.5
1982 actual	216.5	262.2	12.1
1983 actual	245.0	286.2	9.2
1984 actual	265.2	301.1	5.2
1985 actual	294.7	323.4	7.4
1986 actual	289.1	310.4	-4.0
1987 actual	291.0	304.1	-2.0
1988 request	312.0	312.0	+2.5
1988 budget resolution:			
High tier	296.0	296.0	-2.7
Low tier	289.0	289.0	-5.0
1988 budget summit	292.0	292.0	-4.0

The 1988 President's request has a modest real budget authority increase over 1987 but the Congress in the 1988 budget resolution chose to continue the downward trend in real purchasing power. The budget resolution provided two funding levels for national defense: a high tier of $296,000,000,000 in budget authority which would be available only if a reconciliation bill with $19,300,000,000 in revenues was enacted; and a low tier of $289,000,000,000 which would be available without the enactment of the mandated revenue package. At the high tier, 1988 budget authority is 8.5 percent in real terms below the 1985 peak and the low tier is 10.6 percent in real terms below the 1985 peak spending year.

THE BUDGET SUMMIT

Since passage of the budget resolution, the Congress and the administration sought a new overall 1988 budget that would negate the need for a sequester under the new Gramm-Rudman-Hollings law revisions. On November 20, 1987, the negotiators at the budget summit announced an agreement which includes $292,000,000,000 in budget authority and $285,400,000 in outlays for the national defense function. This target is midway between the high tier and low tier of the budget resolution and is 4 percent less than 1987 in real terms. The level now recommended by the Committee for the Defense appropriation bill is consistent with the budget summit agreement.

DISTRIBUTION OF REDUCTIONS

As shown in the chart above, real national defense funding peaked in 1985 and has declined steadily. The targets set by the budget summit for 1988 continue this downward trend. The reductions that Congress has made since the 1985 peak have not been evenly distributed among the project titles of the bill as shown in the following chart:

BUDGET AUTHORITY

[In billions of 1988 dollars]

	Military personnel	Operation and maintenance	Research and development	Procurement
1980 actual	68.1	62.6	19.1	50.3
1985 actual	75.3	84.4	34.5	106.7
1987 revised	76.0	84.1	37.3	88.1
1988 request	78.3	86.6	43.7	84.0
1988 recommended	76.2	80.7	36.7	83.2

Military personnel funding shows modest but steady real growth between 1980 and the 1988 request. The Committee's recommendation essentially freezes the 1988 budget at the 1987 level.

Operation and maintenance funding also reflects steady growth between 1980 and the 1988 request. However, because of severe outlay limits in 1988, the Committee has been forced to recommend a funding level in 1988 below the real level of recent years. The Committee notes, however, that in constant 1988 dollars the funded operation and maintenance program is at a very high level historically—equal to what the Department spent during the height of the Korean war and $4,455,000,000 more than the Department spent during the height of the Vietnam conflict.

Research and development shows the greatest real growth of any major title between 1980 and the 1988 request—129 percent. The Committee's recommendation reduces the 1988 request by 16 percent and makes it slightly lower than 1987 level in real terms. This recommendation reflects three factors—the need to hold down outlays (R&D has a relatively high military factor); developing programs that can be slowed without severe impact; and elimination of duplicative programs.

Procurement funding more than doubled between 1980 and 1985, but has steadily declined since 1985. Between 1985 and the 1988 request, the reductions in procurement have offset the increases in the other three major titles, as well as the overall declines in budget authority. In 1988, the Committee recommends a funding level 5.6 percent below the 1987 level in real terms, continuing the most significant trend of recent years—reduction in investments in new equipment.

OUTLAY CONSTRAINTS

Historically, national defense budgeting has focused on budget authority—the authority to legally bind the Government to pay for a good or service when received in the budget year or a later year. However, the deficit is computed in terms of actual cash payments made in a specific year. These payments are called outlays and the defense budget is given binding ceilings in both budget authority and outlays.

In recent years, Congress has been unable to appropriate at the established budget authority target because the outlay target was too low. In 1988, the Committee may provide $275,801,700,000 in new budget authority, but can only recommend $274,496,464,000 after scorekeeping adjustments because of the more constraining outlay ceilings. The lesson is that a high budget authority target can be misleading if there are not sufficient outlays provided to allow the appropriations to reach the budget authority target.

A second result of tight outlay ceilings is an incentive to reduce certain types of programs and fund others only because of their differing outlay impacts. For example, with constrained outlays, there is a strong incentive to reduce military personnel and operations and maintenance funding (the primary readiness supporting accounts) because these accounts have high first-year outlay rates (98 percent and 80 percent respectively) while the addition of procurement has little impact on outlays because of its low first-year outlay rate (13 percent). Notwithstanding these incentives, the Committee has chosen to carefully build a balanced program that supports readiness (even with the incentives to do otherwise).

MANPOWER TRENDS

Overall manpower trends are shown in the following table:

MANPOWER TRENDS

[End strength in thousands]

	Military		
	Active duty	Selected Reserve	Civilians
1980 actual	2,050	869	990
1985 actual	2,151	1,088	1,129
1987 revised	2,174	1,157	1,124
1988 budget	2,172	1,190	1,123
1988 recommended	2,172	1,176	1,116

Active duty military end strengths increased each year between 1980 and 1987. The 1988 budget request (for which the Committee recommends approval) is the first year of strength declined since 1980. Selected Reserve strength has also increased since 1980, and the Committee recommends continued increase but at a lower level than budgeted. Civilian end strength peaked in 1985 and has declined modestly since then. The Committee recommends a slight reduction in 1988 from the budget and 1987 levels.

Thus two major manpower components have already peaked (civilian strength in 1985 and active duty military in 1987) and are now declining—only Selected Reserve strength continues to increase.

FORCE STRUCTURE TRENDS

Force structure trends show a mixed pattern, as shown in the table below. Some elements continue to show steady increases in 1988: Battle force ships, as the buildup to the 600-ship Navy continues; strategic bombers, as B–1B bomber deliveries continue; fleet ballistic launchers, as Trident submarine deliveries continue; and intertheater airlift, as C–5B deliveries accelerate. Other force elements reflect decline: For example, tactical Air Force squadrons and intratheater airlift. The program change which is not reflected in the table, however, is modernization, for example, Peacekeeper missiles are replacing Minuteman missiles. M–1 tanks are replacing M–60 tanks; and F–16 aircraft are replacing F–4 aircraft. Because of the timelag between equipment orders and deliveries, the force structure increases in 1988 are the result of procurement that was funded in the 1985 budget or earlier. The lower level of procurement funding since 1985 will mean slower force structure increases in the future.

FORCE STRUCTURE TRENDS

	Fiscal year—			
	1980	1985	1987	1988
LAND FORCES				
(Army and Marine Corps)				
Active divisions	19	20	21	21
Reserve divisions	9	10	11	11
Total	28	30	32	32
TACTICAL AIR FORCE SQUADRONS				
(Air Force, Navy, and Marine Corps)				
Active	159	166	173	171
Reserve	53	60	62	61
Total	212	226	235	232
NAVAL FORCES				
Strategic forces ships	48	43	43	43
Battle forces ships	384	435	445	450
Support forces ships	41	50	59	61
Reserve forces ships	6	14	22	28
Total battle forces	479	542	569	582
STRATEGIC FORCES				
Land-based ICBM's (Titan, Minuteman, Peacekeeper)	1,052	1,011	1,000	1,000
Strategic bombers (B–52, B–1B)	316	242	292	324
Fleet ballistic launchers (Polaris, Poseiden, Trident)	416	488	528	560
Interceptor squadrons (Active and Guard)	17	16	14	14
AIRLIFT AND SEALIFT				
Intertheater airlift (C–5, C–141, KC–10A)	304	339	371	389
Intratheater airlift (C–130, C–123, C–7A)	594	520	559	521
Sealift ships, Active	44	66	61	61

HIGHLIGHTS OF COMMITTEE ACTION

Highlights of Committee action are as follows:

Military personnel.—The Committee recommends:

—Requested active duty end strength of 2,172,400.

—The authorized Guard and Reserve strength of 1,176,070, a reduction of 14,230 from the request.

—The authorized increase of 2,511 Active Guard/Reserve full-time support, a decrease of 2,239 end strength from the budget.

—Reduction of $265,900,000 for replacing officer end strength with enlisted end strength.
—Reduction of $180,000,000 by repricing the selective reenlistment bonuses.
—Requiring the cost of military personnel working in industrial activities to be included as a nonadd surcharge to industrial fund rates.
—Freezing the variable housing allowance at 1987 level saving $186,000,000.
—Reducing PCS travel costs by $61,000,000.
—Capping temporary lodging expenses and saving $39,229,000.
—Freezing European end strength at 1987 level to save $28,217,000.

Operations and maintenance.—The Committee recommends:

—Reduction of $559,705,000 for stock fund surcharges in recognition of increases in inapplicable stock inventories.
—A reduction of $63,100,000 in morale, welfare, and recreation [MWR] programs and changes in MWR policy to ensure only appropriate MWR activities receive taxpayer support.
—Reduction of $135,653,000 resulting from deactivation of the *Midway*, an old aircraft carrier (includes $26,659,000 in military personnel work-year savings).
—Language that continues a civilian overseas work-year ceiling and a new ceiling on civilian pay that reinforces departmental efforts to manage its civilian personnel based on cost rather than number of positions.
—Reduction of $226,200,000 in industrial fund overhead and asset capitalization charges.
—Reduction of $203,361,000 for Navy ship maintenance requested in the 1988 budget, but already funded with 1987 appropriations.
—Reduction of $149,740,000 resulting from headquarters reductions and implementation of the Defense Reorganization Act.
—Savings of $150,000,000 from adoption of CHAMPUS diagnostic review groups regulations and language exempting childrens hospitals and special pediatric care from such regulations.
—Against spending floors and language prohibiting deactivation of Air Force units, as proposed by the House.

Research and development.—The Committee recommends:

—Reduction of $2,444,537,000 in ICBM modernization including termination of the small ICBM in favor of Peacekeeper missile in the rail garrison basing mode.
—Reduction of $1,594,793,000 in funding for SDI with allocation from remaining funds of $210,000,000 for boost surveillance and tracking system, $150,000,000 for the advanced launch system, $75,000,000 for antitactical ballistic missile research, and $31,600,000 for the Eximer mid-range laser and related technologies.

—Reduction of $340,000,000 from the C–17 aircraft.

—Reduction of $252,285,000 from the LHX helicopter program and addition of $40,000,000 for improvements in existing helicopter fleet.

—Reduction of $239,958,000 from ASAT Space Defense System.

—Denial of entire $124,023,000 for development of A–6F aircraft in favor of full funding of advanced tactical aircraft.

—Reduction of $122,189,000 from national aerospace plane.

—Addition of $300,000,000 for balanced technology initiative and $141,175,000 for NATO R&D.

—Addition of $97,101,000 to accelerate submarine development programs.

—Consolidation of servicewide remotely piloted vehicle programs with savings of $52,610,000.

—Consolidation of electronic warfare programs with savings of $85,984,000.

—Consolidation of standoff air-to-surface weapons programs with savings of $59,150,000.

—Realignment and consolidation of antiarmor programs with savings of $49,884,000.

Procurement.—The Committee recommends:

Termination of:

—A–6F aircraft saving $812,200,000.
—EX competition saving $179,800,000.
—Ground-launched cruise missile saving $70,800,000.
—C–27 aircraft saving $65,900,000.
—5-inch guided projectile saving $207,000,000.
—Mk. 92 CORT upgrade saving $88,900,000.

Production deferrals for:

—Mine countermeasure ship; three at $297,300,000.
—AC–130H gunship; five at $258,800,000.
—Advanced lightweight torpedo; 137 at $114,000,000.
—Laser Maverick missile; 1,009 at $111,800,000.
—Air defense heavy system; 245 at $59,400,000.
—Vertical-launched ASROC; 260 at $57,500,000.
—Aquila; 13 at $179,448,000.
—Army tactical missile system at $15,125,000.
—AGM 130 missile; 121 at $43,754,000.
—120 mm mortar; 332 at $20,900,000.

Slowing production rates for:

—Peacekeeper missile; nine at $395,900,000.
—AMRAAM missile; 246 at $173,900,000.
—Tomahawk missile; 72 at $140,000,000.
—AGM–65D Maverick missile; 100 at $100,000,000.
—AH–1W helicopter; 10 at $72,700,000.
—Phoenix missile; 132 at $70,700,000.
—Harm missile; 174 at $49,300,000.

Fully funding two authorized CVN aircraft carriers.

Substitution of three cruisers for three destroyers requested in budget.

RESCISSIONS

The Committee recommends recissions totaling $3,548,140,000 from funds previously appropriated for procurement. The recommended adjustments are based upon actual or anticipated contract savings, unobligated balances for which no other use has been approved by Congress and savings from lower than predicted inflation. The Committee has worked closely with the General Accounting Office and the military departments to identify areas in which funds are no longer required for the purposes originally appropriated.

TIMING OF THE BILL AND HOUSE ACTION

Action on the Defense appropriation bill has been unavoidably delayed by a number of circumstances. Only recently was it clear as to what level the bill should be marked. The budget resolution conference, which was completed on June 18, 1987, provided two possible funding levels for the national defense portion, depending on the enactment of a reconciliation bill raising $19,300,000,000 in revenues. The reconciliation bill has never reached the Senate floor. In the meantime, the issue of the national defense budget funding level was revisited and finally resolved in the leadership agreement of November 20, 1987. This agreement produced a funding level entirely different than those contained in the earlier budget resolution, and the Committee's recommendation is consistent with this agreement.

In the meantime, action on the Defense authorization bill was delayed and the authorization conference only reached final agreement on November 17, 1987. Action on the House Defense Appropriations Committee markup was also delayed. The House bill was reported by the Appropriations Committee on October 28, 1987, and has been included in the House reported continuing resolution by reference. Since a House-passed bill was not available for markup, the Committee elected to mark up and report an original Senate bill to speed the appropriations process.

With House action incomplete on a defense appropriations measure, the Committee report lists House allowances based on H.R. 3576 as reported by the House Appropriations Committee on October 28, 1987. These allowances are subject to change if the bill is amended on the House floor.

RELATIONSHIP TO AUTHORIZATION

Certain appropriations require authorization. The following table compares the amounts authorized in the 1988 Defense authorization bill with the Committee recommendations.

The Defense authorization conference agreement provided two levels of authorization: the conference agreement level (high tier) which applies if the new budget authority for national defense is greater than $289,000,000,000; and the contingent level (low tier) which applies if the new budget authority is $289,000,000,000 or less.

Since it is expected that the total amount appropriated for the national defense function will be in excess of $289,000,000,000, the authorization level shown in the following table is the conference agreement level.

The Committee recommendation is less than the reported authorization level for all major titles except Procurement, and the recommendation is above the authorization number only because the Committee chose to finance a program approved in the Defense authorization bill in a more advantageous way.

AUTHORIZATION COMPARED TO APPROPRIATION

[In millions of dollars]

	1988 budget request	Defense authorization bill	Committee recommended	Difference between authorization and appropriations
Military personnel[1]	78,307	77,491	76,223	-1,268
Operation and maintenance	86,065	83,812	80,685	-3,127
Research, development, test and evaluation	43,677	40,511	36,719	-3,792
Procurement (including chemical demilitarization program)	83,974	79,776	83,393	[2] +3,617
Working capital funds	1,201	981	881	-100

[1] Includes estimate for pay raise.

[2] The Defense authorization bill approved the acquisition of two replacement CVN aircraft carriers by authorizing $644,000,000 in 1988 and $797,000,000 in 1989 in long lead funding for these two ships. The Committee recommendation changes the financing scheme for these two ships by fully funding these two ships in 1988 at a cost of $6,325,000,000. This change in financing provides $1,660,000,000 in savings over buying two ships separately and $641,000,000 in savings over the partial funding scheme assumed in the defense authorization bill, and increases the 1988 funding level by $5,481,000,000.

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the first concurrent resolution. The following table provides these data:

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1988: Subcommittee on Defense	272.01	274,649	267.57	[1] 270,236
Projections of outlays associated with budget authority recommended in the bill:				
1988				[2] 161,275
1989				65,154
1990				27,851
1991				9,343
1992 and future year				10,513
Financial assistance to State and local governments for 1988 in the bill				

	Direct loans	Loan guarantees
Credit authority estimates, fiscal year 1988		

[1] Includes outlays from prior-year budget authority.

[2] Excludes outlays from prior-year budget authority.

NOTE: The amounts shown above exceed the subcommittee section 302(b) allocation but are consistent with the joint executive-congressional agreement on the budget of November 20, 1987.

SUMMARY OF COMMITTEE MANDATED REPORTING AND INFORMATION REQUIREMENTS

Military personnel

Report on reducing overseas dependents by June 1, 1988.

Reflect military personnel costs in industrial fund justifications beginning in fiscal year 1989.

Report on replacing overseas Active Forces with Reserves by May 1, 1988.

Change in budget justification materials for Guard and Reserve to provide more information on pay and manpower data for AGR's, technicians, and paid drill strengths.

Operations and maintenance

Provide stock fund overview with next budget.

Improve O&M justifications to ensure consistency and bases for increased program increases.

Provide industrial activity productivity data and unit cost along with the industrial fund overview.

Develop procedure to ensure interservice competition of at least four depots' workload packages and report to Committees.

Provide data on quantities and unit cost for major depot maintenance items.

DOD inspector general provide accounting of asset capitalization program savings from 1984 and project savings in future.

Provide a report on education and training technology transfer.

Provide a report on Naval Reserve manning of Ready Reserve fleet ships.

Provide MWR display by appropriations account and category in budget submission.

Report on potential savings of private versus public depot maintenance of Army vehicles.

Report on application of Army helicopter training to Navy/Marine Corps helicopter training program.

Report on cost of U.S. troops stationed overseas and effect on U.S. balance of payments.

Report on training technology transfer.

Research and development

Report on annual costs, future budgets and comprehensive description of military space activities.

Report on revised space launch recovery programs costs, components, and schedule.

Report on management of advanced launch system [ALS].

Report on annual costs, future budgets, and comprehensive description of military laser programs.

Report on updated remotely piloted vehicles [RPV] master plan.

Report on elimination of duplication among standoff weapons programs.

Report on elimination of duplication among electronic warfare programs.

Report on design of advanced antiarmor weapon systems—medium [AAAWS-M], and cost and operational effectiveness of AAAWS-heavy candidate weapons.

Report on light helicopter experimental [LHX] program and long-range aviation modernization program.

Report on Army's employment of fiber optic guided air defense missiles [FOG-M] and related systems.

Report on the advanced field artillery tactical data system [AFATDS].

Report on side-by-side tests of candidate armored recovery vehicles.

Report on Army implementation of program to develop safeguards to prevent unauthorized use of Stinger missiles.

Report on pipe fascine narrow tank trap bridging systems.

Report on multihelicopter external lift system.

Report on fire retardant materials in the fuel tanks of military vehicles.

Report on restructured Navy-Air Force airship program.

Report on electromagnetic catapult development and testing schedule.

Report on DOD-NASA funding shares for the National Aerospace Plan [NASP] Program.

Report on the boost surveillance and tracking system [BSTS].

Report on defense and nondefense semiconductor research and manufacturing technology funding.

Report on military applications of Stirling engines.

Report on adequacy of military immunological research.

Report on the identification, friend, foe, or neutral air defense test bed.

Report on the cost and composition of a F/A-18 upgrade program.

Report on SDI matters raised by the Strategic Defense Milestone Panel.

Procurement

Report on the use of mandatory uncompensated overtime in contractor bidding.

Report outlining restructured acquisition strategy for Chapparral missiles.

Report outlining total Army requirements and plans for competitive procurement of Stinger missile launch vehicle.

Report outlining Army's plans to accelerate fielding of MLRS to the National Guard.

Report outlining Navy's breakout plans for the MK-50 torpedo boiler.

Report on the items of equipment to be procured with added funds provided by the Congress for Guard and Reserve equipment.

Report on shallow water mine warfare requirements.

Report on ammunition production base policy.

Report on Army port handling mission.

Report on chemical demilitarization.

Report on Air Force helicopter modernization plans.

Report on the modification of regulations that prevent the sale of HMX to industry.

REPROGRAMMING OF APPROPRIATED FUNDS

In Public Law 99-591, section 9018, the Congress authorized reprogrammings for unforeseen military requirements for higher priority items than originally appropriated. For fiscal year 1987, the Committee received 58 reprogrammings with a total dollar value of $2,151,191,000. Thirty-five of these reprogrammings have been approved by the Committee either in whole or in part. The total amount approved was $1,320,615,000. A balance of $427,577,000 in 13 remaining reprogrammings is still pending Committee consideration. A statistical summary of these reprogramming actions during the last decade is shown below:

DEPARTMENT OF DEFENSE REPROGRAMMINGS

[Dollars in millions]

	Number of actions	Value of program increase proposals
Fiscal year:		
1976 (and transition quarter)	49	$849
1977	55	1,039
1978	66	1,238
1979	60	1,162
1980	71	1,217
1981	51	929
1982	75	1,681
1983	93	2,528
1984	96	1,644
1985	86	2,128
1986	61	[1] 5,810
1987	58	[2] 2,151

[1] Includes $4,225,066,000 authorized by Public Law 99-190 as amended.

[2] Includes $490,372,000 authorized by Public Law 100-71.

TRANSFER AUTHORITY

Section 9015 provides authority for the Secretary of Defense to transfer not more than $1,100,000,000 of working capital funds or appropriated funds between appropriations or major subdivisions thereof. Reprogrammings that make such transfers are subject to this limitation.

TITLE I

MILITARY PERSONNEL

1987 appropriations	$72,737,378,000
1988 budget request	76,299,200,000
1988 House allowance	75,297,165,000
1988 Committee recommendation	75,448,414,000

Funds appropriated under this title provide for the pay, allowances, subsistence, permanent change of station travel, and various other personnel costs for the uniformed members of the Armed Forces. The level of active duty military personnel requested in the President's fiscal year 1988 budget is 2,172,400, which is 1,850 below the authorized end strength for fiscal year 1987. The level of Reserve and National Guard personnel requested in the 1988 budget is 1,190,300, which is 32,964 end strength above fiscal year 1987.

A total of $76,299,200,000 is requested in the President's fiscal year 1988 budget for military personnel appropriations, which is $3,561,822,000 above the fiscal year 1987 level. Of the request, $61,503,200,000 is for pay and allowances for officers and enlisted personnel, $3,090,000,000 is for subsistence of enlisted personnel, $2,558,000,000 is for permanent change of station travel, $246,000,000 is for other personnel costs such as unemployment compensation, $4,640,000,000 is for Guard and Reserve paid drill and initial training, and $4,262,000,000 is for other training and support of the Guard and Reserve. The budget requests $67,397,200,000 for active duty forces and $8,902,000,000 for Reserve and Guard forces.

SUMMARY OF COMMITTEE ACTION

The Committee recommends appropriations totaling $75,448,414,000 in title I, military personnel, for fiscal year 1988. This amount is $850,786,000 below the budget request and $151,249,000 above the House allowance.

Military personnel appropriations principally finance pay and allowances, and are almost totally spent within a year of appropriation action. Because they are spent quickly, military personnel appropriations create more outlays per dollar of new appropriations—more deficit impact—in the budget year than other Defense appropriations and most other Federal appropriations. Thus, it is critically important to streamline military personnel costs and fund only essential programs.

The Committee recommendation protects military personnel appropriations, while meeting the spending and deficit reductions mandated by the 1988 budget resolution. The Committee bill reduces military personnel appropriations less than any other title. The operation and maintenance request is reduced by 6 percent and, research and development appropriations by 16 percent; however, the Committee only has reduced military personnel by 1 percent. The Committee believes that it is critically important for the Department to fund all fiscal year 1988 military personnel requirements within the appropriations provided in this bill.

The Committee has recommended reductions totaling $850,786,000. Reductions can be categorized as follows: 22 percent is for a pricing change to reenlisment bonuses; 28 percent is the result of actions to hold down allowances, housing and permanent change of station costs; 33 percent is from savings resulting from decreasing officer strengths and increasing enlisted strengths as required under the 1987 Defense Authorization Act; 6 percent is from lower than requested increases in Guard and Reserve end strength and full-time support; and 11 percent is related to program changes, and work-year funding reductions.

The Committee appropriation recommendations are displayed in the following table:

MILITARY MANPOWER END STRENGTH

For military forces, manpower is authorized each year in terms of end strength, that is the number of personnel in the force on September 30, of a given fiscal year.

Active Forces.—In fiscal year 1988, the budget requests a net decrease of 1,850 end strength from the 1987 authorized level, for a total end strength of 2,172,400. It requests increases of 6,200 end strength for the Navy, 100 end strength for the Army, and reduction of 8,150 end strength for the Air Force. Authorization action, the House allowance, and the Committee recommendation all approve the requested 1988 end strength levels for Active Forces.

Guard and Reserve Forces.—In fiscal year 1988, the budget requests an increase of 32,964 end strength from the 1987 authorized level, for a total end strength of 1,190,300. From this total Guard and Reserve end strength, an increase of 4,750 Active Guard and Reserve [AGR] military full-time support is requested, for a total AGR end strength of 73,734.

The 1988 Defense authorization bill provides for an increase of 18,734 end strength from the 1987 authorized level for a total Guard and Reserve end strength of 1,176,070. As part of this total, authorization action also approved approximately one-half or 2,511 of the AGR full-time support requested, for a total AGR end strength of 71,495.

Both the House allowance and the Committee recommendation essentially fund the authorized increase in Guard and Reserve paid drill strength.

For full-time manning, however, the House eliminated all requested AGR growth, and relied instead for full-time support on civilian technicians. The Committee recommendation is based on the 1988 authorization and funds an increase of 2,511 AGR end strength. Full-time support is discussed more fully later in this section.

The following tables summarize adjustments to the 1988 manpower request for Active, Guard, and Reserve Forces:

MILITARY PERSONNEL REPROGRAMMINGS

The Committee believes a change in reprogramming procedures for military personnel appropriations is necessary. In 1987, the Department of Defense submitted several military personnel reprogrammings during the last 2 months of the fiscal year that used resources from various procurement and research and development accounts. The Committee found many sources unacceptable and recommended that the Department identify funds from annual appropriations (operation and maintenance, and military personnel appropriations). The Department, however, claimed that no annual appropriations were available.

The Committee does not intend to be placed in a position again in which it is faced with a decision of approving an undesirable reprogramming or allowing an antideficiency violation to occur. Therefore, the Committee requests that any military personnel reprogrammings submitted after June 30, 1988, only reprogram funds within military personnel appropriations, or from operation and maintenance appropriations.

INDUSTRIAL FUND MILITARY PERSONNEL

The Committee requests that, beginning in fiscal year 1989, the Department of Defense establish an industrial fund rate surcharge reflecting the full cost of military personnel assigned to industrial fund activities. The next budget submission and industrial fund overview should clearly identify this surcharge by industrial activity and fund. The financing for this surcharge should remain with military personnel appropriations to ensure that all Defense military personnel are centrally funded.

Industrial funds function on the principle that all operating and capital costs be reflected in rates so that customers pay the full cost of services received. In fiscal year 1988, the Department plans to employ 43,759 military and 270,375 civilian personnel at industrially funded activities. The civilian personnel are a major component of management, labor, and overhead costs and are fully charged to customers. Military personnel, which also are a major cost in operating industrial activities, are currently excluded from rates charged to customers.

Because military manpower is excluded from rates, there is a built-in incentive to subsidize industrial funds through the use of military personnel. Further, as was noted during Committee hearings, management efficiencies are oriented solely to reducing civilian manpower. The Committee believes that military personnel in these industrial activities are not given the same level of position review and are often employed in positions that do not require military manpower. For example, the defense stock fund assigns military officers to manage a clothing factory.

The Committee believes that industrial fund rates must reflect all manpower costs, not only civilian manpower costs. Accordingly, the cost of military personnel should be included as a nonadd surcharge to industrial fund rates, but military personnel appropriations will continue to pay these costs. These surcharge payments should be clearly identified in the annual industrial fund overview. The Committee believes that this system will more fully comply with the intent and theory behind industrial funds and will force better management of both military and civilian manpower resources.

OVERSEAS DEPENDENTS

The Committee is concerned with the large number of Defense dependents overseas, especially in Europe. Their safety, the significant resources needed to evacuate them, the overall cost of maintaining their presence overseas and its effect on the balance of payments, are all major concerns.

The number of dependents in Europe is growing rapidly and now equals the number of U.S. troops stationed there. In 1978, 234,492 U.S. dependents were living in Europe, while by the beginning of 1987 the amount had increased to 323,131, a 38-percent increase.

The Department must take action to reverse this trend and reduce the number of dependents overseas. The Department is requested to provide the Committee with a detailed plan by June 1, 1988, examining options to reduce dependents overseas. It is recommended that the Department provide a report that considers restricting criteria for accompanied tours, and alternative deployment strategies, such as adopting the Marine Corps unit rotation concept for some Army and Air Force units in Europe. The Marine Corps program for deploying troops overseas appears to save substantial PCS costs, work-year costs, and provides unit cohesion; it also minimizes the number of U.S. dependents abroad. This plan should also provide the Committee with a detailed explanation of how dependents would be evacuated during mobilization.

REPLACING OVERSEAS ACTIVE FORCES WITH GUARD AND RESERVE

The Committee continues to believe that through rotations and a continuous full-time support presence, Guard and Reserve units can assume active duty missions on a full-time basis overseas. The Committee's February 25, 1987, hearing on Army Guard and Reserve roundout units demonstrated the combat capability and integration of Army Active and Reserve units. One-half of the Army's wartime combat and support forces are in the Guard and Reserve. Yet, the Army presence in Europe still remains all Active Forces.

Guard and Reserve presence overseas would help further the total force concept in a meaningful way. The Committee is encouraged by the success of the Air National Guard units in Panama. The Committee fails to understand the Department's continued reluctance to develop such overseas rotations in Europe. While, the Guard and Reserve presence in Honduras proves that large Guard and Reserve Forces can be kept in the field and sustained on a continued basis, the Department continues to argue that such presence in Europe is impractical.

SUMMARY OF MILITARY PERSONNEL APPROPRIATIONS, TITLE I

[In thousands of dollars]

	1987	Budget estimate	House allowance	Committee recommendation	Committee compared with—		
					1987	Budget	House
Military personnel Army	22,353,990	23,681,200	23,462,446	23,483,132	1,129,142	-198,068	20,686
Military personnel Navy	17,104,850	18,259,100	17,946,795	17,972,329	867,479	-286,771	25,534
Military personnel Marine Corps	5,266,053	5,549,000	5,485,242	5,494,051	227,998	-54,949	8,809
Military personnel Air Force	18,940,731	19,908,200	19,657,077	19,661,194	720,463	-247,006	4,117
Reserve personnel, Army	2,323,210	2,278,500	2,211,740	2,252,231	-70,979	-26,269	40,491
Reserve personnel, Navy	1,464,453	1,516,100	1,491,144	1,502,472	38,019	-13,628	11,328
Reserve personnel, Marine Corps	303,968	294,700	290,066	292,856	-11,112	-1,844	2,790
Reserve personnel, Air Force	629,200	614,700	598,131	612,821	-16,379	-1,879	14,690
National Guard personnel, Army	3,323,145	3,217,700	3,178,713	3,199,938	-123,207	-17,762	21,225
National Guard personnel, Air Force	1,027,778	980,000	975,811	977,390	-50,388	-2,610	1,579
Total military personnel	72,737,378	76,299,200	75,297,165	75,448,414	2,711,036	-850,786	151,249

MILITARY STRENGTH—ACTIVE FORCES

[End strength]

	Fiscal year 1987—		Fiscal year 1988—			
	Authorized	Actual (estimated)	Budget request	Authorization	House allowance	Committee recommendation
Army	780,800	780,815	780,900	780,900	780,900	780,900
Navy	587,000	586,842	593,200	593,200	593,200	593,200
Marine Corps	199,600	199,525	199,600	199,600	199,600	199,600
Air Force	606,850	607,035	598,700	598,700	598,700	598,700
Total Active Forces	2,174,250	2,174,217	2,172,400	2,172,400	2,172,400	2,172,400

MILITARY STRENGTH—GUARD AND RESERVE FORCES[1]

[End strength]

	Fiscal year 1987—		Fiscal year 1988—			
	Authorized	Actual (estimated)	Budget request	Authorization	House allowance	Committee recommendation
Army Reserve	319,378	313,638	330,400	324,300	327,645	324,300
Navy Reserve	149,486	148,096	157,400	152,600	155,404	152,600
Marine Corps Reserve	42,800	42,253	43,700	43,600	42,800	43,600
Air Force Reserve	79,562	80,415	83,300	82,400	79,562	82,400
Army National Guard	452,681	451,858	458.800	457,270	457,270	457,270
Air National Guard	113,336	114,595	116,700	115,900	113,429	115,900
Total Guard and Reserve	1,157,336	1,150,855	1,190,300	1,176,070	1,176,110	1,176,070

[1] Includes paid drill strength and full-time support.

GUARD AND RESERVE FULL-TIME SUPPORT—END STRENGTH[1]

	1987 estimate	Fiscal year 1988—				Recommendation[2]	
		Budget request	Authorization[1]	House allowance	Subcommittee recommendation[2]	Compared with budget request	Compared with 1987
Army Reserve:							
Full time	12,407	14,250	13,329	12,407	13,329	-921	922
Technicians	8,032	8,429	8,429	8,429	8,231	-198	199
Navy Reserve: Full time	21,476	22,505	21,991	21,476	21,991	-514	515
Marine Corps Reserve: Full time	1,745	2,015	1,945	1,745	1,945	-70	200
Air Force Reserve:							
Full time	665	669	669	665	669	....	4
Technicians	9,089	9,856	9,856	9,856	9,473	-383	384
Army National Guard:							
Full time	25,060	26,389	25,725	25,060	25,725	-664	665
Technicians	27,129	27,620	27,785	28,120	27,375	-245	246
Air National Guard:							
Full time	7,631	7,906	7,836	7,631	7,836	-70	205
Technicians	23,221	23,252	23,346	23,530	23,287	35	66
Total:							
Full time	68,984	73,734	71,495	68,984	71,495	-2,239	2,511
Technicians	67,471	69,157	69,416	69,935	68,366	-791	895

[1] Civilian technicians are funded in operation and maintenance appropriations and their end strength is not specifically authorized. Active Guard and Reserve (AGR/TAR/FTS) personnel are funded and authorized in military personnel.

[2] Recommendation provides approximately one-half of technician and AGR growth.

The Committee requests a joint report by May 1, 1988, from the Chiefs of the National Guard Bureau, Air Force Reserve, Air National Guard, Army Reserve, and Army National Guard on specific overseas missions that could be assumed by the Guard and Reserve.

BUDGET JUSTIFICATION MATERIAL

The Committee concurs with the House report language on Reserve personnel justification material. The Committee requests that justification materials submitted with the budget describe by Reserve and Guard component: (1) full-time manning data for AGR personnel including end strength and costs for officers and enlisted personnel; (2) full-time manning data including end strength and costs for technician personnel; (3) paid drill strengths and costs. The budget should also summarize which units are receiving requested staffing increases or are being activated.

PAY RAISES

The fiscal year 1988 pay raise is included in the budget request as a legislative contingency rather than part of the appropriation request. Military pay raises are funded in military personnel accounts and civilian pay raises primarily are funded in operation and maintenance accounts.

The budget request includes a contingency of $2,009,000,000 for military pay raises based on an assumed 4-percent pay raise authorization, and $504,000,000 for civilian pay raises based on an assumed 2-percent pay raise, for a total requirement of $2,513,000,000. Pay raises are proposed to be effective on January 1, 1988. These pay raise requirements were reduced substantially in the November 20, 1987, budget summit agreement between the President and congressional leadership. This agreement set pay raise rates at 2 percent for both military and civilian personnel.

The Committee recommends $775,000,000 for military pay raises included in section 8078 which is consistent with the summit agreement assumptions. The provision also requires that any additional military and civilian pay raises be accommodated within funds provided in this act, including any savings that may occur from changes in longevity pay resulting from the budget summit agreement.

ALLOWANCES AND BONUSES

Selective reenlistment bonus [SRB] pricing.—The Committee recommends a reduction of $180,000,000 for selected reenlistment bonus [SRB's] payments. The House allowance reduced $167,719,000 for this same pricing change. The House also reduced an additional $141,866,000 for freezing the number of reenlistment bonuses at the 1986 level.

SRB's are paid to retain individuals in specific skills. Under current authorization, the Department can make an initial lump sum SRB payment of 75 percent. Under current appropriations, however, only 50 percent lump sum payments can be made, and the 1988 authorization limits payments at 50 percent. The Committee has included a provision, section 8068, to limit lump sum payments at the 50-percent level, and has reduced appropriations accordingly.

Temporary lodging expense.—The Committee recommends a reduction of $39,229,000 for temporary lodging expense, which is consistent with the House allowance.

Temporary lodging expense [TLE] is authorized to be paid to military personnel for temporary lodging costs during a permanent change of station move. In 1987, the Congress limited appropriations for TLE to military personnel in grades E–4 and below with dependents. The Committee believes that limiting such payments based on need and has again limited TLE benefits to these military families. The Committee has included a provision, section 8075, to limit these payments.

Variable housing allowance.—The Committee recommends a freeze on Variable Housing Allowance [VHA] funding and has included a provision, section 8042, that limits these payments to the 1987 level of $1,115,261,000, but allows rate adjustments. This action represents a reduction of $86,416,000 to the budget, and is $86,416,000 below the House allowance.

VHA was authorized in 1980 to provide additional housing payments to individuals only in high cost areas. It is now paid to individuals in almost every community across the country. Given the current budget constraints and relatively low rate of inflation, the Committee believes that VHA funding should be maintained at the fiscal year 1987 level.

PERMANENT CHANGE OF STATION TRAVEL

The Committee recommends a reduction of $61,804,000 in permanent change of station [PCS], which is $46,404,000 below the House allowance. The Committee reduction is made to all service PCS accounts while the House reduced the Navy by $15,400,000.

Air Force PCS costs are inordinately higher on a cost per move basis than any other service. For example, an average Defense Department (all services) enlisted operational move costs $2,511, while the Air Force requires $3,557. An average Defense Department enlisted rotational move costs $3,549 while the Air Force requires $4,990. The Air Force budget requests more funding per move for every type of PCS move. In total, the Air Force budget requests 44 percent more per move than the Defense average.

The Committee recommends a reduction of $44,393,000 in Air Force PCS, a 5-percent reduction. The Air Force will still have substantially more funding per move than any other service. The recommendation also reduces one-half the increase above 1987, on a per move basis, requested for the Army, Navy, and Marine Corps.

ENLISTED TO OFFICER STRENGTH RATIO

The Committee recommends a reduction of $265,900,000 for savings from replacing officer end strength with enlisted end strength. This reduction is consistent with the 1988 Defense authorization, H.R. 1748, and is $11,014,000 less than the House allowance.

The 1987 Defense Authorization Act required a 1-percent officer reduction in 1987 and a 2-percent officer reduction in 1988. The 1987 authorization and appropriations also provided for commensurate increases in enlisted personnel. The Secretary was provided discretion to allocate the officer reductions and enlisted increases among services and informed the Committee of his decision on February 2, 1987.

The Department did not reduce its 1988 budget request to reflect the 1987 1-percent officer reductions or enlisted strength increases. The 1988 budget also did not factor in savings from the 2-percent reduction of officers and increase of enlisted strength required in 1988. In its allowance, the House assumed savings from annualizing 1987 officer reductions/enlisted increases totaling $155,000,000 and estimated that an additional $121,915,000 would be saved through another 1-percent reduction in 1988.

The Committee recommendation agrees with the House estimate for annualizing the 1-percent 1987 reduction, but not the savings from a 1-percent reduction during 1988. The Committee recommendation follows existing law and the 1988 Defense authorization bill. It assumes that an additional $110,900,000 will be saved through officer reductions and replacement with enlisted personnel during 1988, which is consistent with Congressional Budget Office estimates.

The Committee has allocated reductions between the service appropriation accounts in line with the Secretary's 1987 allocation decisions. The Committee recognizes, however, the discretion provided to the Secretary in the 1987 Defense Authorization Act and the 1988 authorization, and will entertain a reprogramming to reallocate officer funding between the service appropriation accounts. The House allowance directs that the Department make proportional reductions, and restricts the Secretary's flexibility.

EUROPEAN END STRENGTH GROWTH

The Committee recommends a funding decrease of $28,217,000 associated with freezing U.S. active duty military end strength in Europe. The House did not address this issue.

The 1988 budget proposes increasing U.S. military presence in NATO by 1,913 end strength. The largest growth is proposed for the Air Force. Among the gaining functions proposed for all services are an increase of 153 end strength for management headquarters functions and 354 end strength for base operations.

The Committee believes that the military services have sufficient presence in Europe and NATO. Additional staffing, if necessary, must be accommodated within existing end strength levels. Further, increased military presence overseas simply exacerbates the current balance of payments problem, overseas stationing allowance costs, and increases the number of dependents residing overseas. The Committee finds interesting the Department's recent willingness to suggest that budget reductions will cause personnel cutbacks at U.S. installations, while the Department is proposing increases in forces overseas.

MWR MILITARY PERSONNEL

The Committee recommends a reduction of $2,635,000 below the budget request and House allowance for military personnel work-years associated with operating recreational revenue-generating morale, welfare, and recreation [MWR] activities such as golf courses and sailing marinas.

Under section 9102 of the 1987 Defense Appropriations Act, military personnel in such recreational activities in metropolitan areas could not be funded with appropriations. As described in the operation and maintenance section of this report, the Committee has included a new provision that eliminates the metropolitan/nonmetropolitan distinction, and it allows appropriations to be used for military personnel in MWR activities.

While removing legal impediments to using appropriations for military personnel in these activities, the Committee does not feel that employment in such activities is an important or appropriate use of military manpower. In implementing changes to the MWR program, the Committee believes nonappropriated fund civilians should replace military personnel in such recreational activities.

OTHER HOUSE ADJUSTMENTS

The Committee concurs with House pricing adjustments and recommends a reduction of $32,868,000 for subsistence rates and inflation. The Committee also concurs with a reduction of $3,700,000 for savings resulting from extension of overseas tours.

MILITARY PERSONNEL, ARMY

1987 appropriation	$22,353,990,000
1988 budget estimate	23,681,200,000
House allowance	23,462,446,000
Committee recommendation	23,483,132,000

The Committee recommends an appropriation of $23,483,132,000 for fiscal year 1988. This is $198,068,000 below the budget request and $20,686,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	23,681,200	23,681,200	
Reenlistment bonuses	-44,397	-37,607	6,790
Officer reductions	-90,546	-84,796	5,750
Overseas extension	-1,700	-1,700	
1988 average grade/grade growth	-58,038		58,038
Inflation/base adjustment	-4,466	-4,466	
Temporary lodging expense	-14,407	-14,407	
Subsistence rates	-5,200	-5,200	
European end strength growth		-3,543	-3,543

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
VHA freeze		-16,052	-16,052
PCS		-13,175	-13,175
MWR personnel		-643	-643
PRIMUS offset		-16,479	-16,479
Total adjustments	-218,754	-198,068	20,686
Recommended appropriation	23,462,446	23,483,132	

MILITARY PERSONNEL, NAVY

1987 appropriation	$17,104,850,000
1988 budget estimate	18,259,100,000
House allowance	17,946,795,000
Committee recommendation	17,972,329,000

The Committee recommends an appropriation of $17,972,329,000 for fiscal year 1988. This is $286,771,000 below the budget request and $25,534,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	18,259,100	18,259,100	
Reenlistment bonuses	-191,812	-93,488	98,324
Officer reductions	-76,391	-79,764	-3,373
Overseas extension	-200	-200	
1988 average grade/grade growth	-4,882		4,882
Inflation/base adjustment	-3,653	-3,653	
Temporary lodging expense	-5,860	-5,860	
Subsistence rates	-9,800	-9,800	
Enlistment bonuses	-4,307		4,307
European end strength growth		-1,329	-1,329
VHA freeze		-36,265	-36,265
PCS	-15,400	-941	14,459
MWR personnel		-1,011	-1,011
NAVCARE offset		-13,900	-13,900
Sea College Program		-5,378	-5,378
Ship delivery delays		-3,427	-3,427
Industrial activities growth		-5,096	-5,096
Midway deactivation		-26,659	-26,659
Total adjustments	-312,305	-286,771	25,534
Recommended appropriation	17,946,795	17,972,329	

Navy industrial activity work-years.—The Committee recommends a reduction of $5,096,000 to work-year funding in Navy industrial activities. The House did not address this issue.

Navy military personnel assigned to industrial facilities has grown 159 work-years since 1986, while civilian personnel in these activities has declined by 6,458 work-years. The Army and Air Force reduced military manpower in industrial activities during this same period. During hearings, the Committee learned that the Navy has not applied efficiency recommendations from management studies to its military work force. These same management studies have been used to reduce civilian staffing. The Committee is confident that if the Navy applied these same management reforms to the military personnel work force, a 159 work-year reduction could easily be accommodated.

Navy Sea College Program.—The Committee recommends a reduction of $5,378,000 for termination of the Navy Sea College Program. The House report criticized the Navy Sea College Program, but did not propose a reduction.

The Navy Sea College Program provides up to $18,800 per recruit for a 2-year active duty enlistment. The program is expensive and poorly targeted. It was started in 1986 without significant planning or clear objectives. The program recruits high school graduates with high intelligence and puts them in the most basic positions within the Navy. The program has the effect of taking qualified individuals, who might have accepted a 4-year enlistment in a skill shortage area, and channeling them instead into nontargeted short-term enlistments.

Navy ship delivery delays.—The Committee recommends a reduction of $3,427,000 in work-year funding due to delays in ship deliveries. The House did not address this issue.

The Navy has based much of its end strength and funding growth on the requirement to man new vessels as it builds to a 600 ship Navy. In 1987, the Congress approved 5,700 end strength growth and funding based on this rationale, and in 1988 the Navy has requested a 6,200 end strength increase.

As described in the operation and maintenance chapter, several Navy vessels are not being delivered on time. The Navy's military personnel, and operation and maintenance budget requests, however, were based on these ships being delivered on schedule and joining the fleet in fiscal year 1988. For example, the Navy added 92 personnel in 1987 and is requesting an additional 41 personnel in 1988 to man the SSN–754, *Topeka.* Personnel requirements were based on this vessel being delivered on time and going to go to sea in August 1988. Given current schedule slips, the *Topeka* will not be ready to go to sea until mid-fiscal year 1989. The Committee recommendation has taken such slips into consideration in repricing 1988 work-year requirements.

Midway deactivation.—The Committee recommends a reduction of $26,659,000 in work-year funding related to the proposed deactivation of the *Midway,* CV–41. This recommendation is explained in greater detail in the operation and maintenance and procurement sections of this report.

MILITARY PERSONNEL, MARINE CORPS

1987 appropriation	$5,266,053,000
1988 budget estimate	5,549,000,000
House allowance	5,485,242,000
Committee recommendation	5,494,051,000

The Committee recommends an appropriation of $5,494,051,000 for fiscal year 1988. This is $54,949,000 below the budget request and $8,809,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	5,549,000	5,549,000	
Reenlistment bonuses	-37,613	-25,366	12,247
Officer reductions	-16,637	-15,501	1,136
Overseas extension	-300	-300	
1988 average grade/grade growth	-5,153		5,153
Inflation/base adjustment	-1,083	-1,083	
Temporary lodging expense	-1,062	-1,062	
Subsistence rates	-1,700	-1,700	
Enlistment bonuses	-210		210
European end strength growth		-22	-22
VHA freeze		-6,438	-6,438
PCS		-3,295	-3,295
MWR personnel		-182	-182
Total adjustments	-63,758	-54,949	8,809
Recommended appropriation	5,485,242	5,494,051	

MILITARY PERSONNEL, AIR FORCE

1987 appropriation	$18,940,731,000
1988 budget estimate	19,908,200,000
House allowance	19,657,077,000
Committee recommendation	19,661,194,000

The Committee recommends an appropriation of $19,661,194,000 for fiscal year 1988. This is $247,006,000 below the budget request and $4,117,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	19,908,200	19,908,200	
Reenlistment bonuses	-35,763	-23,539	12,224
Officer reductions	-93,341	-85,839	7,502
Overseas extension	-1,500	-1,500	
1988 average grade/grade growth	-97,158		97,158
Inflation/base adjustment	-2,344	-2,344	
Temporary lodging expense	-17,900	-17,900	

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Subsistence rates	-2,200	-2,200	
Enlistment bonuses	-917		917
European end strength growth		-23,323	-23,323
VHA freeze		-18,285	-18,285
PCS		-44,393	-44,393
MWR personnel		-799	-799
PRIMUS offset		-11,200	-11,200
Aerial port work-years		-15,684	-15,684
Total adjustments	-251,123	-247,006	4,117
Recommended appropriation	19,657,077	19,661,194	

Aerial port personnel.—The Committee recommends a reduction of $15,684,000 for aerial port personnel work-years. This issue was not addressed by the House.

The General Accounting Office [GAO] conducted an audit of Air Force staffing and found that the Military Airlift Command [MAC] programs substantial numbers of personnel for aerial port operations for which the other services already program personnel. GAO found that MAC does not have confidence in the other services' capabilities and chooses instead to fund manpower for the same wartime mission. The GAO estimates that up to 7,900 Active and Reserve Air Force end strength duplicate other personnel. The Air Force did not dispute GAO's findings in its comments on the report.

The Committee believes that in a period of budget constraints unnecessary funding for excess manpower requirements cannot be afforded. The recommendation reduces Active Air Force funding by 520 work-years. No reduction is proposed for Air Force Reserve personnel funding. The Committee believes that wartime missions such as aerial port operations are exactly the type of mission that is appropriate for and performed effectively by Guard and Reserve personnel.

GUARD AND RESERVE PERSONNEL

Paid drill strength.—The Committee has fully funded Guard and Reserve paid drill strength increases of 16,223 that are authorized in the 1988 Defense authorization bill. Additional funding is included in recognition of the flexibility provided by authorization for Guard and Reserve end strength.

The Committee recommendation supports the Department's efforts to build force structure in the Guard and Reserve. The Committee supports the total force concept and believes that Guard and Reserve forces present a cost-effective means to increase combat and combat support capability.

Full-time support.—The Committee believes that growth in full-time support programs is necessary to enhance the overall readiness and capability of Guard and Reserve forces. As modern weapons systems and force structure are added to the Reserve components, they require an active cadre to ensure readiness. Some new units, such as Hawk air defense battalions and Apache AH–64 attack helicopter units, require up to 50 percent full-time manning.

Full-time manning for the Guard and Reserve is principally provided by Active Guard/Reserve [AGR's] personnel funded with military personnel appropriations and civilian/military technicians funded with operation and maintenance appropriations. Guard and Reserve components use these programs differently. The Army Reserve, Army National Guard, and Air National Guard use both AGR's and civilian technicians for full-time manning. The Air Force Reserve almost exclusively relies on technicians for full-time support. The Navy Reserve and Marine Corps Reserve rely exclusively on Active Guard/Reserve. A table displaying Guard and Reserve full-time support by component is at the beginning of this section of the report.

The House allowance eliminated all 4,750 end strength growth requested for AGR's and added 778 technicians above the budget request for an increase of 2,464 technicians. The House believes that the AGR program has grown significantly compared with technician staffing, and that technician increases are more appropriate.

The Committee recommendation allows for an increase of 2,511 AGR's (the number authorized), and 895 technicians, for a total full-time support increase of 3,406 end strength. The Committee recommendation treats AGR and technician personnel equally and provides approximately one-half the growth requested by the budget for full-time support. The Committee recommendation provides 942 more full-time support positions than the House allowance. Total growth for both technicians and AGR's is shown in the following table:

1988 GROWTH ABOVE 1987 FULL-TIME SUPPORT

[Includes both AGR and technician end strength]

Component	House allowance	Committee recommendation	Committee compared with House
Army Reserve	397	1,121	+724
Navy Reserve		515	+515
Marine Corps Reserve		200	+200
Air Force Reserve	767	388	-379
Army National Guard	991	911	-80
Air National Guard	309	271	-39
Total increase	2,464	3,406	942

The Committee is concerned that the House allowance does not adequately address the needs of the Guard and Reserve, and specifically treats some components unfairly. The Committee recommendation provides an increase of 515 and 200 full-time support personnel for the Navy and Marine Corps Reserve, respectively. However, the Navy and Marine Corps Reserve receive no full-time support increases under the House allowance. The House action penalizes these components because they have not created a civilian technician program.

The Committee believes more flexibility is needed for Guard and Reserve full-time support than is provided by the House allowance. A competent, efficiently structured full-time support force is essential to the mission success of the Reserve components. Therefore, Guard and Reserve components should periodically review manpower policies to ensure that full-time personnel effectively meet force structure requirements.

The Committee supports intiatives by the Guard and Reserve components that are designed to more effectively use both technicians and AGR's. In this regard, the Committee supports the Army Reserve Command Support Center test. This test will align military/civilian technicians in their traditional roles, providing them enhanced upward mobility, while assuring AGR personnel are used primarily in deployment/mobilization roles. The Committee understands that the test will be conducted over 2 years and will involve a maximum of only 100 Army Reserve technicians. It is further understood that the Department will not depart from published congressional guidelines regarding the employment of technicians.

RESERVE PERSONNEL, ARMY

1987 appropriation	$2,323,210,000
1988 budget estimate	2,278,500,000
House allowance	2,211,740,000
Committee recommendation	2,252,231,000

The Committee recommends an appropriation of $2,252,231,000 for fiscal year 1988. This is $26,269,000 below the budget request and $40,491,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	2,278,500	2,278,500	
Inflation/base adjustment	-942	-942	
Full-time support [AGR's]	-45,836	-19,943	25,893
Training	-14,232		14,232
IRR mobilization test	-5,750		5,750
Paid drill strength		-3,668	-3,668
VHA freeze		-1,716	-1,716
Total adjustments	-66,760	-26,269	40,491
Recommended appropriation	2,211,740	2,252,231	

RESERVE PERSONNEL, NAVY

1987 appropriation	$1,464,453,000
1988 budget estimate	1,516,100,000
House allowance	1,491,144,000
Committee recommendation	1,502,472,000

The Committee recommends an appropriation of $1,502,472,000 for fiscal year 1988. This is $13,628,000 below the budget request and $11,328,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	1,516,100	1,516,100	
Inflation/base adjustment	-234	-234	
Full-time support [TAR's]	-14,187	-7,846	6,341
Training	-9,170		9,170
IRR mobilization test	-1,365		1,365
Paid drill strength		-1,934	-1,934
VHA freeze		-3,614	-3,614
Total adjustments	-24,956	-13,628	11,328
Recommended appropriation	1,491,144	1,502,472	

RESERVE PERSONNEL, MARINE CORPS

1987 appropriation	$303,968,000
1988 budget estimate	294,700,000
House allowance	290,066,000
Committee recommendation	292,856,000

The Committee recommends an appropriation of $292,856,000 for fiscal year 1988. This is $1,844,000 below the budget request and $2,790,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	294,700	294,700	
Full-time support	-3,741	-1,281	2,460
Training	-492		492
IRR mobilization test	-401		401
Paid drill strength		-60	-60
VHS freeze		-503	-503
Total adjustments	-4,634	-1,844	2,790
Recommended appropriation	290,066	292,856	

RESERVE PERSONNEL, AIR FORCE

1987 appropriation	$629,200,000
1988 budget estimate	614,700,000
House allowance	598,131,000
Committee recommendation	612,821,000

The Committee recommends an appropriation of $612,821,000 for fiscal year 1988. This is $1,879,000 below the budget request and $14,690,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	614,700	614,700	
Inflation/base adjustment	-187	-187	
Full-time support	-159		159
Training	-7,433		7,433
IRR mobilization test	-760		760
Paid drill strength	-8,404	-1,800	6,604
VHA freeze		-266	-266
Hurricane reconnaissance drill strength	374	374	
Total adjustments	-16,569	-1,879	14,690
Recommended appropriation	598,131	612,821	

Hurricane reconnaissance.—The Committee recommends an increase of $374,000 to fund crews for WC-130 hurricane reconnaissance aircraft. This requirement was established in the 1987 appropriations act. Hurricane reconnaissance requirements are more fully discussed in the operation and maintenance section of this report.

NATIONAL GUARD PERSONNEL, ARMY

1987 appropriation	$3,323,145,000
1988 budget estimate	3,217,700,000
House allowance	3,178,713,000
Committee recommendation	3,119,938,000

The Committee recommends an appropriation of $3,199,938,000 for fiscal year 1988. This is $17,762,000 below the budget request and $21,225,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	3,217,700	3,217,700	
Inflation/base adjustment	-925	-925	
Full-time support [AGR's]	-30,957	-12,378	18,579
Training	-7,105		7,105
Paid drill strength		-1,732	-1,732
VHA freeze		-2,727	-2,727
Total adjustments	-38,987	-17,762	21,225
Recommended appropriation	3,178,713	3,199,938	

NATIONAL GUARD PERSONNEL, AIR FORCE

1987 appropriation	$1,027,778,000
1988 budget estimate	980,000,000
House allowance	975,811,000
Committee recommendation	977,390,000

The Committee recommends an appropriation of $977,390,000 for fiscal year 1988. This is $2,610,000 below the budget request and $1,579,000 above the House allowance.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	980,000	980,000	
Inflation/base adjustment	-134	-134	
Full-time support [AGR's]	-361	-1,066	-705
Training	-902		902
Paid drill strength	-2,792	-1,460	1,332
VHA freeze		-550	-550
Minot Air Force Base drill strength		600	600
Total adjustments	-4,189	-2,610	1,579
Recommended appropriation	975,811	977,390	

TITLE II

OPERATION AND MAINTENANCE

1987 appropriation	$79,156,276,000
1988 budget request	86,064,694,000
House allowance	80,675,318,000
Committee recommendation	80,684,634,000

The Committee recommends appropriations totaling $80,684,634,000 in title II, operation and maintenance, for fiscal year 1988. This is $5,380,060,000 below the budget estimate and $9,316,000 above the House allowance.

The Committee recommendations, by appropriation account, are compared with the budget estimate and House allowance in the following table:

COMMITTEE RECOMMENDATIONS

Appropriations under this title finance the costs of operating and maintaining the Armed Forces, including the Reserve components and Department of Defense agencies. Included are funds for pay of civilians, maintenance and repair of facilities and weapons systems, fuel, supplies, services, and repair parts. Activities such as flying hours, steaming hours, training, travel, health care, and education are provided for under this title.

The Committee recommendation protects operation and maintenance appropriations to the extent practicable, while meeting the spending and deficit reductions mandated by the fiscal year 1988 budget resolution. In making necessary reductions, the Committee has sought to protect readiness funding such as flying hours and steaming hours, and has allocated most reductions to support and overhead activities. Many reductions should have only a minor impact because they are based on pricing or economic assumptions, or the Department's record in spending 1987 appropriations. The Committee realizes that while its intent is to reduce support and lower priority programs, many recommendations will not be implemented without hardship.

READINESS INDICATORS

	Fiscal year 1987 estimate	Fiscal year 1988 Committee recommendation
Tactical flying hours (hours per crew/pilot per month):		
Army	15.1	15.1
Navy/Marine Corps	25.0	25.0
Air Force	19.5	19.5
Navy steaming days (days per quarter):		
Deployed fleet	54.7	54.7
Nondeployed fleet	27.2	27.2
Army tanks and combat vehicles (miles per year)	800	800

Recommended reductions to operation and maintenance total $5,380,060,000 and can be categorized as follows: 20 percent of the total reduction is for pricing and economic assumptions; 15 percent is based on program execution; 12 percent is from personnel and health programs; 50 percent is from support and overhead programs; and only 3 percent is from operating tempos. The Committee also has recommended increases for unforseen requirements not included in the budget request and for high priority programs, such as $13,000,000 for humanitarian assistance to Afghan refugees.

The fiscal year 1988 budget requests a level of operation and maintenance funding that, in constant 1988 dollars, is the highest since the end of the Second World War. While the Committee recommendation represents a 6.3-percent decrease from the budget request, it is still at an extremely high level historically. In constant 1988 dollars, the Committee's recommendation for operation and maintenance is equal to what the Department spent during the height of the Korean war, and $4,455,000,000 more than the Department spent during the height of the Vietnam war. Compared to the 1980 level of operation and maintenance spending, the Committee's recommendation represents a 30-percent increase in real terms.

The Committee notes that although force structure and manpower levels have increased since 1980, they have not grown at a rate commensurate with this increased cost.

Defense operation and maintenance funding—budget authority in constant 1988 dollars

	Billions
Korean war (1952)	$80.8
Vietnam (1969)	76.2
Prior to defense buildup (1980)	62.6
Recommendation (1988)	80.7

House allowance.—The House bill reduces operation and maintenance by $5,389,376,000, and includes floors on real property maintenance, depot maintenance, civilian technicians, CHAMPUS, and civilian personnel in specific depot maintenance activities. The House allowance sets spending floors of $15,895,100,000 for these programs and allocates reductions to remaining programs. The areas exempted by House action are support programs that usually have been considered the most discretionary operation and maintenance areas when reductions have been required in the past. The House also includes bill language prohibiting deactivation of several units in specific locations. The Committee recommendation does not contain such floors and site specific legislation.

The Committee believes that, given the funding constraints required under the current Federal budget, significant reductions cannot be mandated without impacts on the very areas the House seeks to protect. This is especially true if operating tempos, such as flying and steaming hours, are to be exempted from reductions. The Committee believes that to the extent practicable, in dealing with the reductions required in operation and maintenance, the Department requires more flexibility than is provided in the House allowance.

BUDGET JUSTIFICATION MATERIALS

Operation and maintenance justifications.—The Committee requests that the Department of Defense Comptroller ensure that Army, Navy, Marine Corps, and Air Force operation and maintenance budget justifications use a consistent format. The Committee requests that this format adopt the current Army procedure of noting the funding base contained in existing appropriations for any program increase. The Committee also requests that the operation and maintenance overview provide civilian and military personnel levels by major activity.

Stock fund overview.—The Committee appreciates the effort and contributions made by the Department of Defense Comptroller and service financial management staffs in developing the fiscal year 1988 industrial fund overview. The industrial fund overview is an excellent resource that provides the Congress and public with a comprehensive summary of financial and personnel resources employed in operating Department of Defense industrially funded activities.

Unfortunately, there is no similar overview for the Defense stock funds. A resource guide that summarizes these funds, in a manner similar to the industrial fund overview, would assist congressional review.

The Committee requests the Department of Defense Comptroller to produce such a stock fund overview for submission to the House and Senate Appropriations Committees by May 1, 1988. This overview should be organized by specific stock fund and commodity division. At a minimum, for fiscal years 1986 through 1989, the stock fund overview should provide: (1) an accounting of appropriations by customer, including industrial fund purchases; (2) sales, including at least one summary table that omits double counting of sales between stock funds; (3) surcharges, including components of surcharges; (4) inventory availability data; (5) inventory stock data, categorized by standard definitions used in the Department of Defense supply system inventory report; (6) year end and forecasted cash balances, and refunds; (7) obligation and financial data on appropriations for inventory augmentation and war reserve stocks; and, (8) military and civilian personnel employed in operating and managing stock fund activities.

Industrial activity productivity.—The Committee appreciates the efforts made by the Department in providing improved information on industrial activity workload, labor, overhead and material costs. Beginning with its next budget submission, along with the industrial fund overview, the Department is requested to provide data that describes quantities and unit costs of major weapon systems, engines, and equipment maintained in the organic and contract depot maintenance facilities of the Department of Defense. The information should be displayed by weapons system, quantity of items completed, unit labor cost and hours, and material, and overhead cost. Workloads accomplished organically and by contract should be separately identified by service.

OPERATION AND SUPPORT COSTS

As noted in its 1987 report, the Committee remains concerned over the long-term implications of procuring weapons systems with increasingly expensive operation and support costs. The Committee tasked the General Accounting Office to undertake a comprehensive study of increasing operation and support [O&S] costs, but the study had to be prematurely terminated in February 1987, "because data was unavailable within DOD on which to base an independent audit report."

The Secretary of Defense has launched several initiatives designed to improve the quality of O&S costs. The Committee supports these efforts, but more needs to be done. The Committee requests that: (1) each service establish a capability within 4 years to report accurate and verifiable O&S costs for major weapons systems, either in the inventory or planned; (2) O&S cost data should be linked to specific weapons system operating tempos, inventory levels, material and other readiness rates; (3) the cost analysis improvement group within the Office of the Secretary of Defense shall assess the accuracy of O&S cost estimates submitted by the services and report its findings and recommendations to the Secretary; and (4) beginning with the 1990 budget, the O&M overview should provide O&S data for at least three major weapons systems for each service. The Committee realizes that while such a system would not provide a model for developing operation and maintenance budgets, it would assist in defining total weapon system costs and weapon system O&S requirements.

BALANCE OF PAYMENTS REPORT

The Committee has on many occasions expressed its concern regarding the high costs of active U.S. forces, and their dependents, stationed overseas. The Committee believes that information on these costs has not been adequate For this reason, the Committee has included bill language, section 8039, requesting the Department of Defense to prepare an annual report detailing the costs of operating U.S. forces overseas, and the effect of these costs on the U.S. balance of payments.

This report should include: (1) the total cost of operating and maintaining U.S. forces in each of the foreign countries where U.S. forces are stationed; (2) the difference between the cost of operating these forces abroad and the estimated cost of operating similar forces in the United States (including, but not limited to, overseas station allowances, overseas transportation costs of commissary items, and the increased costs resulting from the decline in the value of the dollar); (3) the portion of the total overseas operating costs which is directly or indirectly spent overseas (including, but not limited to, pay for foreign national hires, procurement of supplies and services from foreign entities, and estimated overseas spending by service personnel and their dependents); and (4) the effect of these direct and indirect overseas expenditures on the U.S. balance of payments.

To ensure the accuracy of the data and methodologies used in this report, the Department of Defense should prepare the report in conjunction with the Bureau of Economic Analysis of the Department of Commerce. For the purposes of this report, U.S. forces stationed overseas are considered to be those stationed outside of the United States and its territories. The report should cover the budget year and the 2 previous fiscal years.

ASSET CAPITALIZATION AND INDUSTRIAL FUND OVERHEAD

The Committee recommends a reduction of $226,200,000 to industrial fund appropriations for the Asset Capitalization Program [ACP] and overhead costs. This recommendation is $112,900,000 below the House allowance. The Committee is provided with little information and justification for the equipment procured through the ACP Program. During the past 5 years, $3,042,300,000 has been appropriated to ACP and the annual program has doubled. However, while ACP is intended to provide efficiency and savings, such savings are not documented or reflected in industrial fund rates.

The Committee also is concerned with the percentage of industrial fund rates that fund overhead. Over one-third of industrial fund rates fund overhead and such costs have increased since 1986. The Committee recommends that the Defense inspector general provide an accounting of savings from the ACP Program since 1984. The Department should include details on projected savings for proposed ACP purchases as part of its next budget submission.

SPECIAL ASSIGNMENT AIRLIFT

The Committee recommends a reduction of $15,471,000 to the amount budgeted for special assignment airlift missions [SAAM]. This is consistent with the House allowance.

The Military Airlift Command [MAC] allows the services, through SAAM, to use MAC aircraft and crew for special, unscheduled flights. MAC assesses a surcharge above the normal rate to discourage unnecessary use of this expensive service. While the Committee believes this surcharge is good policy, adding appropriations to cover its costs, as requested in the budget, diminishes the disincentive for unnecessary use. The recommendation approves continuation of the SAAM surcharge, but requires that the surcharge be financed from within existing appropriations.

INDUSTRIAL FUND PASSTHROUGHS

The Committee recommends a reduction of $240,400,000 for industrial fund passthrough appropriations, which is consistent with the House allowance. The Committee notes that such appropriations keep industrial fund rates artificially low. Approving these special appropriations would be inconsistent with the Navy's claims that it has significantly reduced costs and improved efficiency at its industrial activities. If the Department believes that rates cannot be adjusted and passthrough transfers must be made, the Committee would entertain a reprogramming from other operation and maintenance funds for this purpose.

DEPOT MAINTENANCE COMPETITION

The Committee has included bill language to continue competition for ship and aircraft maintenance between Government and private shipyards, and between public and private air rework facilities. The Committee received testimony from Navy officials praising this effort. The Committee believes public/private competition provides productivity and efficiency in both Government and private activities, as well as savings. The Committee fails to understand why the administration proposed repealing this bill language, and why competition has not been proposed beyond Navy activities. The Committee would like the Department to propose public/private competitions in activities other than shipyards and Navy air rework facilities when it submits its next budget.

The Committee believes that significant savings and efficiency also could result from competitions among Department of Defense maintenance activities. Many Defense industrial activities perform maintenance on similar or identical weapons systems or weapons system components. Such competition would help eliminate underutilized facilities and unnecessary duplication. The Secretary of Defense is requested to develop a procedure for ensuring interservice competition for at least four depot level workloads during fiscal year 1988. The Secretary should evaluate and award bids, and report on this test program to the House and Senate Committees on Appropriations by August 1, 1988.

STOCK FUND SURCHARGES

The Committee recommends a reduction of $559,705,000 to Army, Navy, Marine Corps, and Air Force accounts for stock fund surcharges, which is $62,095,000 above the House allowance. Of the recommended reductions, $271,953,000 is for payments to the defense stock fund managed by the Defense Logistics Agency [DLA] and $287,752,000 is for surcharges in service managed stock funds.

Much of the growth in operation and maintenance funding during the early 1980's was invested in stock fund inventories. Nonfuel stock fund inventories increased by 92 percent in constant dollars since 1982, from $24,043,211,000 to $46,246,357,000. However, almost one-half of this inventory is defined by the Department of Defense as inapplicable.

While inventories have grown rapidly, stock fund readiness rates have declined. The percentage of time the stock funds have a required item available in the inventory did not improve significantly since 1981 and, has declined since 1984 for the Army, Air Force, and Defense stock funds as depicted in the following table:

INVENTORY AVAILABILITY DATA BY STOCK FUND

[In percent]

	Army	Navy	Air Force	DLA
1981	83.4	73.0	81.1	90.6
1984	85.5	75.7	69.4	91.1
1986	84.5	80.2	64.1	88.4

Thus, Department of Defense stock funds have been buying more inventory, but this inventory has not contributed to readiness.

The disparity between what defense activities need versus what the stock funds are procuring has been caused by a number of factors. One major reason, as recently pointed out in a Department of Defense inspector general report, is that the Department began larger and less frequent procurements. Defense stock fund managers raised the minimum procurement cycle for consumable and repair parts from 3 to 12 months. The Defense inspector general recently concluded that "the arbitrary use of minimum 12-month procurement cycles was not the most cost-effective method to procure consumable spare and repair parts." Second, as defense budgets have declined in recent years, stock fund sales have fallen below forecasts, but orders of new inventory were not reduced. In 1986, total Department of Defense stock fund sales were forecasted at $40,389,300,000, but only $35,153,700,000 in sales occurred. Third, service customers have not purchased inventory that they requested the stock fund managers to procure. The Comptroller General recently testified:

> For those items that the services ask DLA to stock in support of new weapon systems, DLA data shows that on average there is no demand for 56 percent of these items during the first 2 years after a system is fielded and no demand for 44 percent during the first 3 years. In the 4- to 6-year range, there is still no demand for about 35 percent of the items.

Stock fund surcharges are added to the price of items bought by customers through operation and maintenance appropriations. These surcharges finance transportation, wasted inventory/obsolescent inventory, and cash stabilization. With the exception of transportation costs, the surcharges have had the effect of subsidizing each stock fund and cushioning the effects of decisions to procure inapplicable inventory.

The Committee believes that the Department of Defense needs to make wiser and more efficient decisions in procurement of stock items. Clearly, the procurement of such a high percentage of inapplicable inventory needs to be curtailed. The Committee recommendation eliminates one-half the nontransportation surcharge for service stock funds and recognizes that the defense stock fund surcharges were overestimated in the budget. Surcharges for Navy depot level repairables are not reduced. Reductions by service are as follows:

	Service stock fund	DLA stock fund	Total
Army	-$133,610,000	-$72,814,000	-$206,424,000
Navy	-102,074,000	-89,820,000	-191,894,000
Marine Corps		-11,062,000	-11,062,000
Air Force	-52,068,000	-98,257,000	-150,325,000
Total	-287,752,000	-271,953,000	-595,705,000

The Committee requests the Department to develop a system that requires a large penalty payment to be assessed against using commands for projecting stock requirements in excess of actual purchases. Only by assessing a penalty on the users of stock fund materials, can the Department curtail the current wasteful situation.

SUPPLY OPERATIONS

The Committee recommends a $62,812,000 reduction in supply operations, which is $60,812,000 below the House allowance. The budget requests over $4,000,000,000 for supply operations and the reduction represents a 1.5-percent reduction.

The cost to hold inventories is significant, requiring from 10 to 23 percent of the value of inventory. As inventories have grown so have supply system costs. The Defense inspector general has concluded that raising minimum procurement cycles for stock fund items increased holding costs significantly. Similarly, the General Accounting Office has observed that Defense warehouses are filled to capacity which has caused depot efficiency and supply operations to suffer. Savings should occur in Defense supply activities as the Department reduces procurement leadtime and unnecessary inventory levels.

FOREIGN CURRENCY

The Committee has not reduced appropriations by $613,900,000 as proposed by the House. The "Foreign currency fluctuation" [FCF] account was established in fiscal year 1979 to cover net losses in direct programs due to unfavorable fluctuations in foreign exchange rates. The Committee concurs with inclusion of the Korean won in foreign currency rates as proposed by the Department of Defense and the House allowance. The Committee also concurs with the foreign currency rates proposed by the Department of Defense in developing the fiscal year 1988 request, as follows:

[Units of foreign currency to $1 U.S.]

Belgium	42.77
Canada	1.39
Denmark	7.75
France	6.72
Germany	2.06
Greece	139.90
Italy	1,423.00
Japan	163.10
Netherlands	2.33
Norway	7.52
Portugal	150.50
Spain	137.60
Turkey	743.50
United Kingdom	.70

BASE ADJUSTMENT

The Committee recommends a reduction of $278,000,000 for adjusting the base upon which 1988 inflation is calculated. This is $20,000,000 below the House allowance. Appropriations in fiscal year 1987 for inflation in the operation and maintenance accounts were higher than price growth actually experienced. Therefore, the base on which the Department requested inflation for fiscal year 1988 of $1,806,000,000 was overstated. The Committee recommendation adjusts the estimate accordingly.

CONTRACTING OUT

The Committee recommends a reduction of $117,000,000 for estimated savings from contracting out under OMB Circular A-76. The House did not address this issue.

The Committee questions whether contracting out saves funds in the long run. However, to the extent that savings are claimed by the Department, they should be used to reduce the budget and not to fund additional defense programs or personnel. The Committee's recommendation is based on the Department's A-76 study schedule, and uses OMB's methodology to forecast savings as the administration does for all agencies except the Department of Defense.

RECOMPETING CONTRACTED OUT ACTIVITIES

The Committee encourages the Department to undertake a program of recompeting activities that previously have been contracted out to determine if these activities could be performed at less cost by the Government. The Committee understands that in some cases contract costs have increased after activities were contracted out under the A-76 process. At the installation level, it appears that many services might be performed at less cost if they were brought back into the Government. The Committee believes that public/private competition is healthy for both Government and the private sector, and results in savings to the taxpayers. Efficiency reviews and competitions should not be conducted solely on Government activities.

CONTRACTOR SUPPORT STUDIES

The Committee recommends a reduction of $157,626,000 in contractor support services [CSS]. The recommendation represents an 8-percent reduction to the budget request, and is $78,890,000 below the House allowance. CSS includes contracts for: experts and consultants, studies and analyses, technical and engineering services, information management services, and management support services. The Department of Defense should be more frugal in its use of these outside support services. This reduction should not be taken against recruiting and advertising programs since these are adjusted elsewhere.

OVERSEAS LABOR CONTRACT/JAPANESE DEFENSE CONTRIBUTIONS

The Committee recommends a reduction of $81,900,000 to the request for pay and allowances of foreign national indirect hire personnel in Japan. This is $16,500,000 above the House allowance. Based on a new cost-sharing agreement effective in June 1987, the Japanese Government will be paying a substantially higher portion of the allowances for Japanese employees at United States facilities than assumed in the budget. The General Accounting Office estimates $81,900,000 will be saved by this agreement during fiscal year 1988.

The Committee also recommends a reduction of $120,365,000 in recognition of the Japanese Government's decision to cover additional costs resulting from devaluation of the United States dollar relative to the Japanese yen. The budget requests $120,365,000 in additional appropriations due to the devaluation of the dollar relative to the yen. The Japanese, however, recently enacted a law that provides over $100,000,000 annually to compensate for the higher value of the yen. The Committee, therefore, denies the budget request, and assumes that the Japanese, rather than the American taxpayers, will finance these additional operational costs.

MORALE, WELFARE, AND RECREATION

The Committee recommends a reduction of $63,100,000 in morale, welfare, and recreation [MWR] activities, which is $11,900,000 higher than the House allowance. The Committee also recommends a general provision, section 8083, that: (1) repeals section 9102 of the 1987 Appropriations Act and eliminates the metropolitan/nonmetropolitan distinction established last year; (2) establishes a ceiling for appropriated fund support of MWR activities; (3) allows the Department of Defense to follow a new policy of providing appropriations support for appropriate MWR activities such as child care centers and libraries and discontinues support for activities such as golf courses, marinas, and bowling centers; and, (4) allows the Department to use nonappropriated funds to reimburse civilian employees employed before January 1, 1987, in these recreational activities. The recommendation takes into account changes in funding requirements resulting from implementation of the Department's new policy, and management efficiencies that the Department has indicated can be realized through better management of MWR activities such as clubs.

On August 10, 1987, the Assistant Secretary of Defense (Force Management and Personnel) submitted a report on MWR entitled "Reassessment of Department of Defense Morale, Welfare, and Recreation Programs" requested by the 1987 Defense Appropriations Act. The Committee has reviewed the report, and agrees that the classifications proposed may present a more equitable means to reform MWR activities than the metropolitan/nonmetropolitan distinction. The Committee continues to believe that major improvements are needed in the management of MWR activities, and the Committee will continue to examine the overall policy, management structure, and staffing.

In recognition of decreasing resources, the Department must look for creative ways to generate nonappropriated funds if it is to maintain its current level of MWR activities. The Committee recommends that the Department allow Guard and Reserve personnel to use revenue-generating MWR activities. The Committee is also aware that there are many installations where opening up use of MWR facilities to the local community could be of mutual benefit to the base and civilian population. The recent Defense Department publication "Defense and the Community" notes many examples where cooperative agreements for facilities and services help meet both the military and community needs, and offsets Defense operation and maintenance costs. The Committee recommends that as part of its current MWR policy changes, the Department encourage such joint use and delegate to base commanders authority to open up MWR facilities to local communities. Such use could likely generate significant nonappropriated revenue.

Last year the Committee specifically allowed the use of appropriated funds in support of recreational MWR activities in remote and rural areas to continue. The Committee felt that while it was not appropriate for taxpayers to support recreational activities like golf course in metropolitan areas where private and local facilities were available, the Government has traditionally provided some recreational opportunities in remote areas where such activities are not readily accessible. In allowing the Department flexibility to follow its new policy, the Committee expects the military services to ensure that MWR activities in remote or rural areas continue to be supported.

The appropriations ceiling provided in the bill is based on budget data transmitted to the Committee in the 1988 OP–34 display, adjusted for appropriations that are funded in the Military Construction appropriation bill. The Department is requested to display MWR appropriations by appropriation account and category of MWR activity in its next budget submission.

REAL PROPERTY MAINTENANCE

The Committee recommends a reduction of $80,000,000 in real property maintenance, which is $78,509,000 below the House allowance. The Committee recommendation funds the Navy and Army at the budget request level and reduces the Air Force by $50,000,000 and the Marine Corps by $30,000,000.

The Air Force operation and maintenance real property maintenance program is inordinately high in comparison with all other services. Further, the Air Force program is supplemented with substantial military personnel resources. The Air Force has approximately 23,000 military personnel assigned to real property maintenance activities while the Army, Navy, and Marine Corps each has less than 1,000 military personnel assigned to these activities. When including the cost of military manpower, the Air Force real property maintenance program costs over twice any other service program.

The Marine Corps real property maintenance program has grown rapidly during the past few years. The Marine Corps has the fewest number of installations and it is now spending for maintenance at an installation replacement value ratio that is 100 percent greater than the Navy. The recommendation freezes the Marine Corps program at the 1987 level.

ADMINISTRATION/HEADQUARTERS REDUCTION

The Committee recommends a reduction of $55,100,000 to the amount budgeted for administration and headquarters, which is $18,900,000 above the House.

The fiscal year 1988 budget request for Department of Defense administrative overhead is 20 percent higher than the fiscal year 1986 level. This is despite the Goldwater-Nichols Defense Reorganization Act which mandates reductions in management headquarters. The recommendation would return administrative overhead funding to the fiscal year 1987 level, adjusted for transfers. Reductions for Defense Agencies mandated by the Defense Reorganization Act are discussed in a later section of this report.

SUMMARY OF OPERATION AND MAINTENANCE

[In thousands of dollars]

	1987 enacted	Budget estimate	House allowance	Committee recommendation	Committee compared with—		
					Fiscal year 1987	Budget request	House
O&M Army	20,181,625	22,120,394	20,683,277	20,941,050	759,425	-1,179,344	257,773
O&M Navy	23,166,904	25,652,830	23,901,188	23,791,997	625,093	-1,860,833	-109,191
O&M Marine Corps	1,802,050	1,918,367	1,840,992	1,799,714	-2,336	-118,653	-41,278
O&M Air Force	18,736,920	21,325,282	19,881,516	19,888,916	1,151,996	-1,436,366	7,400
O&M Defense Agencies	8.514,434	7,602,907	7,044,011	7,176,276	-1,338,158	-426,631	132,265
O&M Army Reserve	782,433	879,103	844,851	859,703	77,270	-19,400	14,852
O&M Navy Reserve	887,932	957,115	926,899	940,138	52,206	-16,977	13,239
O&M Marine Corps Reserve	64,013	71,361	67,938	68,621	4,608	-2,740	683
O&M Air Force Reserve	923,952	1,018,257	994,767	997,391	73,439	-20,866	2,624
O&M Army National Guard	1,752,398	1,862,152	1,855,978	1,838,951	86,553	-23,201	-17,027
O&M Air National Guard	1,783,755	1,972,992	1,950,191	1,958,737	174,982	-14,255	8,546
National Rifle Board	4,323	4,099	4,095	4,099	-224		4
Claims, Defense	144,400	273,574	273,574		-144,400	-273,574	-273,574
Court of Military Appeals	3,237	3,461	3,241	3,241	4	-220	
Environmental restoration	375,900	402,800	392,800	402,800	26,900		10,000
Humanitarian assistance	17.000		10,000	13,000	-4,000	13,000	3,000
Pan American Games	15,000				-15,000		
Total O&M	79,156,276	86,064,694	80,675,318	80,684,634	1,528,358	-5,380,060	9,316

EXPENSE/INVESTMENT CRITERIA

The budget proposes to raise expense/investment thresholds for base level equipment from $5,000 to $25,000 per item. Expense items are purchased with operation and maintenance appropriations, while investment items are purchased with procurement appropriations.

The Committee concurs with the House and has no objection to the proposed increase in the expense/investment threshold to $25,000. The 1988 Defense authorization, H.R. 1748, however, limits the expense/ investment threshold to $15,000 per item. The Committee believes that increasing the limitation will lead to significant savings at the installation level as uneconomical leases are terminated. The Commitee recommends a $147,700,000 reduction, consistent with authorization, based on this management reform.

JAVITS-WAGNER-O'DAY ACT

The Committee concurs with House report language regarding Department of Defense procurement under the Javits-Wagner-O'Day [JWOD] Act. Procurement, under the provisions of this act, provide much needed employment opportunites to blind and other severely handicapped Americans.

The Committee believes that the Department, working closely with the Committee for Purchase from the Blind and Other Severely Handicapped [CPBOSH] and nonprofit agencies that assist the sheltered workshops for the blind and severely handicapped, should develop a more active program to identify commodities and services suitable for purchase under the JWOD program.

The Department is requested to study the feasibility of increasing the share of overall defense procurements for nonprofit agencies participating in the JWOD program and report the results to the House and Senate Appropriations Committees by March 1, 1988.

TRAINING AND EDUCATION TECHNOLOGY

The Committee supports initiatives taken by the Department of Defense to share and transfer training and education technology with State governments, schools, and industry. The Department of Defense is often at the forefront of training technology, developing education aids and simulator programs needed to satisfy defense requirements. As noted in the recent Defense Department publication, "Defense and the Community," improving local education is important to enlarging the number and quality of enlistable youth and overall national security. The Defense Department is the largest single educator in the world.

The Committee requests that the Department expand the sharing of training products with public educators, including curriculum and training technology that contribute to the quality of public education. The military services should work with the U.S. Department of Education and Commerce in expanding their programs. The Department is requested to prepare a report that summarizes existing educational technology transfers and discusses new efforts to expand cooperation. This report should be submitted by June 30, 1988.

RECRUITING AND ADVERTISING

The Committee recommends a reduction of $23,570,000 to the request for recruiting and advertising. This is $26,763,000 above the House allowance.

The 1988 budget request for recruiting and advertising is 18.5 percent higher than the 1986 level and 7.9 percent higher than the 1987 level. At the same time active end strengths are decreasing and retention is at an all-time high. The recommendation reduces funding for active component recruiting and advertising to the fiscal year 1987 level. Reductions for growth in the Joint Recruiting and Advertising Program [JRAP] are allocated to the services in order to maintain this joint program at the requested level.

While the House reduced Navy recruiting and advertising by $21,200,000, the Committee recommendation fully funds the Navy's request. The Committee believes that since the Navy is the only service increasing accessions in 1988 and is having the greatest difficulties attracting high school graduates, its recruiting program should receive priority. The Navy's cost per recruit remains substantially below that of the Marine Corps and Army.

The Committee also believes the use of JRAP can be improved. Although the Committee continues to support joint advertising, the Committee is concerned that the program is not targeted to service specific problems. For example, if one service is experiencing particular recruiting problems, JRAP funds should be used to provide service specific advertising. Approximately, 20 percent of JRAP funds should be used in this manner. If JRAP is used only for advertisement that includes all services, the services will continue to dismiss its utility and compete for additional budgetary resources.

CIVILIAN END STRENGTH

In 1987, the Congress reduced civilian work-year and end strength funding by $400,000,000. The Department argued that reducing its 1987 budget request would result in significant reductions in civilian personnel. However, following appropriation action, the Department did not reduce employment, and instead it added 8,939 end strength (1,668 work-years) above its request. Accordingly, the Committee recommends a $109,000,000 reduction to adjust the personnel base and eliminate this increase.

The Committee also proposes a general provision, section 8084, to establish a civilian payroll limit. In 1987, the Committee highlighted the uncontrolled growth in Department of Defense civilian employment and proposed a work-year ceiling to restore management control. The Department strongly opposed a work-year or end strength ceiling arguing that ceiling controls do not allow distinction between grades and cost of employees. The Navy and Air Force have both advocated the use of "manage to payroll" in lieu of work-year ceilings. They feel that setting payroll ceilings provides effective controls that allow defense managers to carefully monitor civilian employment. While the Committee still believes work-year controls are an effective management tool and are used by the administration for other Federal agencies, it recommends instead a payroll ceiling for the Department.

The Committee recommendation establishes a payroll ceiling at $34,282,543,000, which is $388,662,000 below the budget request for civilian personnel. The reduction reflects Committee recommended adjustments for civilian end strength and work-year pricing. A separate provision, section 8085, allows adjustment of this limitation for pay raises. The limitation also provides funding of $183,000,000 to continue full support for intern programs.

OVERSEAS WORK-YEARS

The Committee continues to be concerned over the number of civilians employed by DOD overseas, particularly in Europe. The recently completed GAO report on this subject noted that much of this growth was in administrative and clerical areas. In order to ascertain whether this growth is critical to readiness, it is recommended that the Department conduct position management reviews of clerical and administrative positions in Europe.

Finally, the Committee has continued the overseas work-year ceiling provision, section 8040, first included in the 1987 Appropriations Act. This provision is intended to preclude additional overseas presence and the use of civilians and military/civilian substitution to circumvent the military end strength ceiling for NATO.

WORK-YEAR PRICING

The Committee recommends a pricing adjustment of $279,622,000 to the budget estimate for civilian personnel pay. The budget overpriced the cost of civilian work-years and the Committee's recommendation corrects this error.

PROFESSIONAL DEVELOPMENT

The Committee recommends a reduction of $7,229,000 in the Department's professional development programs, which is $510,000 above the House allowance. The work-year reductions in this bill should reduce professional development requirements.

CIVILIAN TECHNICIAN GROWTH

The Committee recommends a reduction of $26,587,000 from the budget in funding for civilian technicians for the Guard and Reserve. The recommendation is $38,789,000 below the House allowance. This issue is more fully discussed in the military personnel section of this report.

The recommended funding level provides for an increase of 895 technicians above the 1987 end strength of 67,471. The budget requested an increase of 1,686 technicians and the House funded an additional 778 technicians. However, the House eliminated all growth for Active Guard/Reserve [AGR], who are funded by military personnel appropriations. Thus, the Committee has provided for an increase of 3,406 AGR and technician end strength for full-time support of the Guard and Reserve and the House has provided for 2,464 technicians. The Committee believes that AGR and technician personnel should be treated equally and has provided approximately one-half the growth requested by the budget for both categories of full-time support.

TRAVEL

In its funding allocation crosswalk to the Appropriations Committee, the Budget Committee reduced nonpermanent change of station travel by $219,000,000. In order to achieve this reduction, the Committee recommends that the Army, Navy, Air Force, and Defense Agencies' fiscal year 1988 travel requests be reduced by 12 percent, and that of the Guard and Reserve components by 6 percent. The Committee recommendation reduces travel by $219,368,000, which is $126,691,000 below the House allowance. No reduction is proposed for the Marine Corps due to its low per capita travel expenditures and the Marine Corps' policy of funding overseas unit rotations from its travel budget rather than using permanent change of station funds.

OVERSEAS DEPENDENT STUDENT TRAVEL

The Committee recommends a provision eliminating appropriations for dependent student travel. This action reduces $4,700,000 from the budget and the House allowance.

Appropriations to support overseas dependent student travel were first authorized in 1983. The Committee believes that the Department of Defense should allocate a higher priority to dependents traveling on Military Airlift Command flights and that special appropriations should not be required.

TRANSPORTATION

The Committee recommends a reduction of $44,200,000 in transportation programs, which is $93,529,000 above the House allowance. In 1987, the Department of Defense created the Joint Transportation Command to coordinate military transportation and increase efficiency. The Committee expects that the new command will realize savings by selecting the most efficient means of transportation. For example, a recent General Accounting Office report found that the Army was airlifting supplies when sealift would have been more appropriate, and could have saved as much as $30,000,000.

LEASED TELECOMMUNICATIONS

The Committee recommends a reduction of $55,000,000, which equals one-half the reduction made by the House. As noted in the House report, the Department of Defense could realize substantial savings by buying out uneconomical leases for telecommunications equipment. The House report also notes that the Air Force's budget for leased telecommunication is twice as high as that of the other services combined. Therefore, $35,000,000 of the reduction is assessed to the Air Force.

CLASSIFIED PROGRAMS

The Committee recommends a reduction of $147,013,000 in classified programs, which is $48,077,000 above the House allowance. These reductions are explained in a classified annex to this report.

MEDICAL AND HEALTH PROGRAMS

Dental CHAMPUS.—The Committee recommends a reduction of $46,200,000 in funding for the Dental Civilian Health and Medical Program Of the Uniformed Services (CHAMPUS) program, which is $20,000,000 below the House allowance. Service members are automatically enrolled in the CHAMPUS dental program, but can decline to be covered. The 1988 budget requests $119,000,000 for dental CHAMPUS. However, based on disenrollments, actual contract costs appear to be $72,800,000.

CHAMPUS DRG.—The Committee recommends a reduction of $150,000,000 in CHAMPUS funding due to the diagnostic review group [DRG] system, which is $20,000,000 less than the House allowance.

The Department adopted the DRG system on October 1, 1987; under DRG's rates are established for medical procedures with the goal of reducing costs to CHAMPUS beneficiaries and the Government. The Committee remains supportive of the Department's efforts to implement a DRG-based system. CHAMPUS hospital care costs have risen at a rate 50 percent faster than hospital costs generally.

The Committee believes that it would not be appropriate to extend the DRG system to childrens hospitals, neonatal care and special pediatric care. Therefore, it has included a provision, section 8064, which is similar to House bill language. The recommended bill language ensures that the actual cost to military families with children receiving this specialized care will not exceed costs that would have been imposed under a DRG system. The provision also exempts children's hospitals from the DRG system.

Acquired immune deficiency syndrome [AIDS].—The Committee supports the current Department of Defense policy on AIDS. The rationale for mandatory testing, preventive medicine counseling, and retention of active duty military personnel is based on sound medical principles. The Committee requests the Department to continue to base its AIDS policy and programs on medical rationale. Further, the Committee requests the Department to continue its emphasis on information and education complemented by informed, voluntary testing for nonactive duty military personnel.

The Committee has added $9,000,000, $3,000,000 per service, to initiate a self-guided, interactive video-disc program to facilitate AIDS education among military personnel. The distribution of this educational tool should help disseminate AIDS educational material and curtail the spread of this disease.

PRIMUS/NAVCARE clinics.—The budget requested an increase of $41,579,000 to create 14 new PRIMUS/NAVCARE health clinics. These clinics are additions to the existing military health care program. They were established to augment military treatment facilities for dependents, retirees and military beneficiaries. The clinics provide much of the outpatient care that would be provided under CHAMPUS, but without any charge to the beneficiary.

Recognizing that these clinics represent a major expansion and improvement in military health care, the House allowance funds the clinics, but requires user fees to be charged.

The Committee shares the House concern regarding the creation of this program. The cost of the military health care budget is rising rapidly and must be controlled. In 1987, the Congress approved $425,000,000 in supplemental appropriations for health care of retirees and dependents, and costs even exceeded these supplemental resources. The creation of the PRIMUS/NAVCARE program, with its free cost and easy access, represents an expansion of current military benefits.

The Committees recommendation provides full funding for the 14 new PRIMUS/NAVCARE clinics. The Committee has not included a requirement for user fees as proposed by the House. The Committee has, however, recommended an offset in military personnel appropriations in recognition of current budget constraints. The Committee recommends this offset as a general reduction to military personnel appropriations, noting that PRIMUS/NAVCARE represents an expansion of current benefits.

Quality assurance.—The Committee is supportive of the Department's efforts to ensure that military beneficiaries receive quality health care and is aware of the recent GAO report indicating that better use of malpractice data could help improve quality of care. The Committee agrees with GAO's specific recommendation that the Department develop a centralized and comprehensive departmentwide system for collecting, analyzing, and using medical information from malpractice investigations. The Committee feels that it is especially important that the ability exist to generate ready comparisons across services and accordingly, recommends that the Department of Defense consider placing such a system under the leadership of health affairs to assure maximum consistency and interservice sharing of data. The Committee believes that the Department should assign overall responsibility for this initiative to one identifiable system and requests that a report be submitted to the House and Senate Appropriations Committees on its implementation within by June 1, 1988.

Home health care demonstration.—The Committee recommends that CHAMPUS expand the scope of its home health care demonstration projects to explore a range of circumstances in which types of care, such as home health aide services, can be provided to meet individual needs in ways that best serve the interests of the beneficiary and the Government. The Committee has concurred, therefore, with a House provision, section 8066. The types of patients which should be served include babies dependent on life support mechanisms, the severe and chronically mentally ill, and accident victims with a long-term severely incapacitating injury. CHAMPUS should judiciously exercise its discretion in designing the types of benefits to be provided.

Health affairs.—The Committee expects the Assistant Secretary of Defense for Health Affairs to continue program and policy oversight for the CHAMPUS program and to ensure that the Department provides a uniform and consistent national program. The Committee further is supportive of health affairs' efforts to plan for peer review organization [PRO] program oversight in conjunction with the Department of Health and Human Services.

Medical/CHAMPUS funding.—The 1988 budget transferred funding for CHAMPUS from operation and maintenance, Defense Agencies to the Army, Navy, and Air Force operation and maintenance accounts. The House allowed this transfer, but prohibited the services from reprogramming, transferring, or using CHAMPUS for anything other than CHAMPUS claims, CHAMPUS-approved demonstration projects, or CHAMPUS reform initiative costs.

As noted in its report on the 1987 supplemental appropriations bill (S. Rept. 100–48), the Committee strongly supports the Department's decision to shift funding responsibility for CHAMPUS to the services. A major reason for the growth in CHAMPUS costs has been built-in incentives for the services to reduce service at military treatment facilities [MTF] and to shift costs to CHAMPUS. Shifting CHAMPUS funding responsibility to the services should eliminate any incentives to offset costs by moving workload to CHAMPUS and should force military medical program managers to better manage MTF services and workload.

The Committee shares the House concern that the services not divert CHAMPUS funding for purposes other than medical expenses. The Committee believes the House conditions, however, are too restrictive. The primary benefit to having CHAMPUS claims funded in service O&M accounts, is to have medical managers make tradeoffs between the MTF's and CHAMPUS. This should create more efficient management of medical programs. The Committee agrees that: (1) CHAMPUS funds should not be used for nonmedical/health programs, and (2) the Department should provide a quarterly report that delineates changes in medical and CHAMPUS funding quarterly.

Mental health.—The Committee is impressed by the progress of the mental health demonstration project being conducted in the Tidewater, VA, area and CHAMPUS' ability to ensure quality mental health care in a cost-effective fashion. Similarly, the Committee was also pleased that the Department has agreed to conduct a child-oriented mental health demonstration project with the officials of the State of North Carolina, including a distinct evaluation component. Mental health care continues to represent an expensive benefit for CHAMPUS and the Committee is supportive of creative approaches to meeting this need.

Physician special incentive pay.—The Committee remains concerned regarding the proportion of military physicians who are essentially receiving special incentive pay while performing administrative duties that could reasonably be performed by nonphysician personnel. The Committee is also concerned that the different services are using the special incentive pay in a manner that does not appear to be directly related to a military readiness mission or in a consistent fashion. The Committee requests the Assistant Secretary for Health Affairs to exercise leadership and to ensure that there is a coordinated approach to use these funds across the services. These limited funds should be used to attract and retain those provider specialists most needed for critical wartime health care requirements.

Uniform service treatment facilities.—The Committee continues to be supportive of the Department's efforts to curtail the costs associated with the uniform service treatment facilities [USTF's]. The Department has made significant progress in bringing down the cost of these facilities and in transitioning these civilian facilities toward serving military beneficiaries under CHAMPUS. The Committee concurs with the House that USTF costs be limited to $126,400,000. The Department should ensure that the CHAMPUS program is appropriately used by the USTF's.

Premature births.—The Committee urges CHAMPUS to undertake demonstration and new program initiatives designed to reduce the number of low birth weight premature births.

Nonphysician health care providers.—The Committee is pleased that the Department has established a separate Department of Psychology at Bethesda Naval Hospital and requests similar distinct psychology departments at an Army and Air Force installation. The Committee requests that the Department establish separate departments of optometry, not to be put administratively under opthalmology, at three service installations.

The Committee remains concerned that the Department accord its professional nurses with the clinical autonomy that they deserve. The Committee is supportive of the Department's efforts to ensure quality care; however, this is not synonymous with having physicians control, or supervise, nurse practitioners, nurse clinical specialists, nurse anesthetists, or certified nurse midwives when they are practicing nursing. The Committee strongly feels that the Nurse Corps of each service must maintain responsibility for quality assurance of its members and their practice. The Committee is aware of a proposed Department directive that would appoint nonphysician practitioners to a facility's medical staff for purposes of establishing uniform standards of care; the Committee does not oppose this approach, as long as each profession remains accountable for its own quality standard and that there is true peer review with no requirement of physician supervision.

ENERGY PROGRAMS AND ISSUES

Participation in overseas fuel procurement by U.S. refineries.—The Committee recommends a general provision, section 8079, to allow U.S. corporations with a refining capacity of 85,000 barrels or less per day increased participation in the Department of Defense overseas fuel procurement program. The Committee believes that assured fuel supplies are vital to national security and has encouraged the Department of Defense to continue to seek military specification fuels from sources that are not susceptible to interruption. The recommended provision will assist the refining industry within the United States and will have a positive effect on the U.S. balance of trade.

Increased participation in the Overseas Fuel Procurement Program will come through a "last look" at awards to foreign refiners. If a U.S. refiner has participated in the solicitation through submission of a bid and can match the bid for price, specifications, and deliverability, the award will be made to a U.S. refiner instead of a foreign refiner. The successful refiner is specifically prohibited from entering into processing agreements to meet the terms of the award. The Committee does not, however, believe that the successful refiner should be prohibited from entering into exchange or "swap" agreements. The Committee believes that the result of the exchange is consistent with the policy announced above and does not have a negative impact on the trade balance.

The provision restricts application of the program to refiners of 85,000 or less barrels per day. It is believed that this capacity is sufficient to insure the participation of larger numbers of domestic refiners without assisting the United States' largest oil corporations. The Committee believes these corporations are already successful in the foreign environment. The Committee is also aware of provisions affecting small businesses (refiners of 50,000 or less barrels per day). This provision is not intended to replace any existing programs and should be viewed as encouraging greater U.S. participation in overseas fuel procurement, not affecting the size or scope of existing programs.

Competitive procurement of electric utilities.—The Committee has included a provision, section 8086, which is concerned with the purchase of electric utilities by the Federal Government.

This provision is intended to protect remaining customers of utility systems from the higher rates that inevitably would result if a Federal customer were allowed to leave local utility systems to obtain retail electric utility service from a nonlocal supplier. The Federal Power Act of 1935 divided regulatory responsibility over the provision of electric service between Federal and State regulatory bodies, specifically leaving retail rate and service regulation to the jurisdiction of the States and asserting Federal jurisdiction over wholesale rate and service regulation. Proposals by Federal executive agencies to purchase power competitively, without regard to the separation of State and Federal regulatory authority or to the means by which States have divided responsibility for serving customers, is contrary to the regulatory framework Congress and, derivatively, the States, have so carefully designed.

Generally, retail electric utility service is provided by suppliers authorized to serve within service territories. Authorization to provide service within these areas typically is derived through State law, either by statute or by delegation to a regulatory commission, or through delegation to a political subdivision of the State.

Whether through service territory, a franchise, a service-related permit, a certificate of public convenience and necessity, a territorial agreement, or other means, retail electric utility service usually is provided by one supplier within any given area. When procuring retail electric utility service, the Federal Government should abide by these service arrangements just like any other customer of an electric utility.

Frequently, however, State law permits limited retail sales or other direct transfers of electricity from a generation facility to one or more purchasers without regard to otherwise applicable franchise agreements or similar provisions of State law. The Committee does not intend with this section to restrict sales or transfers of electricity to Federal departments, agencies, or instrumentalities by nonutilities (including qualifying facilities under the Public Utility Regulatory Policies Act of 1978) to the extent that such sales or transfers are permitted under applicable State law.

In addition, the Committee does not intend to restrict the ability of the heads of Federal agencies to enter into contracts under 42 U.S.C. 8287. Such contracts must be for purposes of achieving energy savings, including the lease or purchase of operating equipment and the use of existing energy sources by cogeneration.

Similarly, the Committee does not intend to restrict the ability of military departments to enter into contracts under 10 U.S.C. 2394. That section permits military departments to contract for the provision and operation of cogeneration and other energy production facilities as an alternative to utility service.

Finally, the Committee is aware that, in certain rare instances, a military installation may require electric service that is more reliable than that which the local utility or utilities are willing or able to provide. (Occasionally, State law may provide for service by more than one utility in a given area.) In such instances, to the extent that the need for unusual reliability cannot be satisfied by the utility or utilities that would provide service under the State regulatory framework, State law must yield to the legitimate needs of national defense. However, the Committee expressly rejects any interpretation of this section that would permit reliability concerns to be used as a smokescreen for competitive procurement or other practices inconsistent with State law concerning the provision of electric service. Similarly, the mere fact that a military installation may be able to obtain better reliability from a different utility than the one in whose service territory it is located or the fact that the installation may obtain better reliability by receiving service from two utilities rather than one, is not sufficient to override State law concerning the provision of electric service. In order for State law to be overridden, the degree of reliability sought for the military installation must be essential to realizing the installation's national defense purposes, and the installation must be unable to receive that degree of reliability from the utility (or utilities) that would otherwise provide electric service under State law.

Operation and Maintenance, Army

1987 appropriation	$20,181,625,000
1988 budget estimate	22,120,394,000
House allowance	20,683,277,000
Committee recommendation	20,941,050,000

The Committee recommends an appropriation of $20,941,050,000. This is $1,179,344,000 below the budget estimate and $257,773,000 above the House allowance.

This appropriation provides for the activities of the active Army, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	22,120,394	22,120,394	
Foreign currency financing	-401,700		401,700
DLA surcharge	-86,100	-72,814	13,286
Stock fund surcharge	-100,000	-133,610	-33,610
FERS assumptions	-102,939		102,939
Moral, welfare, and recreation/NAF	-34,000	-31,500	2,500
CHAMPUS DRG's	-44,200	-50,400	-6,200
Dental CHAMPUS	-400	-15,700	-15,300
Other medical	-15,400		15,400
Administration/headquarters reductions	-32,500		32,500
Transportation	-5,642	-21,400	-15,758
Special assignment airlift	-4,158	-4,158	
Depot maintenance	250,000		-250,000
Leased telecommunications	-20,000	-10,000	10,000
Automatic data processing operations	-194,000	-30,000	164,000
Training	-8,199		8,199
Professional development	-6,601	-480	6,121
Education	-13,300		13,300
Command, control, and communications	-38,500	-25,000	13,500
Classified programs	-12,278	-7,236	5,042
Overseas banking	-12,300	-12,300	
Savings	-51,300		51,300
Overseas labor contract	-22,000	-17,600	4,400

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Japanese defense contribution		-22,905	-22,905
INSCOM real property maintenance	-2,000	-2,000	
Force modernization	-50,600	-67,300	-16,700
PCS travel	-2,100	-2,100	
Technology test bed	-5,800		5,800
Health promotion	-1,200		1,200
Inventory accountability	9,400		-9,400
Base operations support	-271,300	-271,300	
Asset capitalization/IF overhead	-15,900	-31,700	-15,800
Travel	-22,400	-77,448	-55,048
Base adjustment/inflation	-62,400	-62,400	
Contractor support services	-21,900	-26,556	-4,656
Recruiting and advertising	-3,400	-10,940	-7,540
Acquisition personnel	-32,000		32,000
Civilian endstrength		-26,849	-26,849
Supply operations		-21,009	-21,009
Expense/investment criteria		-38,000	-38,000
Contracting out		-52,000	-52,000
Student dependent travel		-2,000	-2,000
Helicopter flying hours		-11,000	-11,000
Other personnel activities		-35,000	-35,000
Training support		-30,000	-30,000
AIDS education		3,000	3,000
Work-year pricing		-80,614	-80,614
Claims, Defense transfer		120,975	120,975
Total all adjustments	-1,437,117	-1,179,344	257,773
Recommended appropriation	20,683,277	20,941,050	

COMMITTEE ADJUSTMENTS

Force modernization and incidental equipment.—The Committee recommends a reduction of $67,300,000 for fielding and sustainment of new equipment, which is $16,700,000 below the House allowance.

The Army has consistently projected and budgeted for faster deliveries of new systems than has occurred. This reduction does not impact operating tempos. Of the recommended reduction, $9,600,000 is based on the Army Material Command's underexecution of its small equipment fielding program in 1987, and $7,700,000 is related to the decision to delay fielding of the Aquila system, which is described in the other procurement, Army, section of this report.

Helicopter flying hours.—The Committee recommends a reduction of $11,000,000 for general purpose forces flying hours. The House did not address this issue.

In 1988, the Army is adopting a new multitrack helicopter pilot training course at Fort Rucker that will improve and shorten training. The Army plans to initiate training in UH-1 aircraft and retire small TH-55 trainers. Pilots will move into advanced attack, observation, and utility aircraft during basic training, and will complete the multitrack course ready to assume duties in line units. Previously, undergraduate training at Fort Rucker went only as far as UH-1 aircraft, with significant training time still required at the field level for training in advanced aircraft.

The Committee fully supports the Army's multitrack approach. The Committee also supports the increase requested for Army training flying hours to initiate this program. However, improved undergraduate pilot training will lead to savings at the field level, as units are able to concentrate on assigned missions and less on training. Accordingly, the increase in training hours should be offset at the field level.

The Committee also notes that the Army again has been unable to execute its budgeted flying hour program. In 1987, the Congress reduced the Army's $300,000,000 flying hour request by $25,000,000. The Army was still unable to use $22,000,000 of the funds appropriated (67,000 hours).

Overseas banking.—In 1987, the Army experienced a one-time requirement of $12,300,000 to fund severance pay for Japanese banking employees. Although no similar requirement exists in 1988, the Army did not reduce its funding base. The Committee, therefore, recommends a reduction of $12,300,000. The Committee requests the Army to not enter into similar contracts requiring high severance pay commitments to foreign national employees in the future.

Other House reductions.—The Committee concurs with the following House reductions: $2,100,000 in funding for vacations for service members electing to extend their overseas tours, and $2,000,000 in real property maintenance funding for an intelligence command [INSCOM] facility which the Army plans to vacate in fiscal year 1989.

The Committee also recommends a reduction of $30,000,000 in funding for Army automatic data processing [ADP] studies. This is one-half the reduction made by the House. The House report notes that the Army budgeted far more for ADP studies than the other services.

Army maintenance study.—The Secretary of the Army is requested to study using existing private sector facilities to provide maintenance, overhaul, and repair of heavy equipment operated by the Army and Army National Guard, especially tanks, trucks, and other wheeled and tracked vehicles. The analysis should compare the cost efficiency of this option to the current use of Government-operated facilities. The study should also include the potential savings to be realized by using regional service centers of this type to provide other services such as equipment remanufacturing and equipment modification and upgrading. The analysis should include, but not be limited to, a comparison of cost efficiencies from lower transportation costs and wage scales, and should address the potential improvements in military readiness resulting from reduced transportation and turnaround time. The study should be submitted to the House and Senate Appropriations Committees by May 1, 1988.

POMCUS studies.—Congress did not repeat an annual provision in the Fiscal Year 1987 Defense Appropriation Act that prohibited the Army from expanding the prepositioning of materiel configured to unit sets [POMCUS] program, because the Army had assured the House and Senate Appropriations Committees that POMCUS equipment would be taken from war reserve stocks instead of from U.S.-based Active and

Reserve Forces. The Army has asked the Committee if it still must conduct a $3,700,000 study that analyzes the impact of taking POMCUS equipment from U.S. units, since this is no longer the Army's plan. The Committee does not consider further study to be required, and requests the Army to use these funds for operating tempo in fiscal year 1988.

Authorization changes.—The Committee recommends the following reductions totaling $361,300,000 based on the 1988 Defense authorization, H.R. 1748:

Communications	−$25,000,000
Other personnel activities	−35,000,000
Training support	−30,000,000
Base operations	−271,300,000

OPERATION AND MAINTENANCE, NAVY

1987 appropriations	$23,166,904,000
1988 budget estimate	25,652,830,000
House allowance	23,901,188,000
Committee recommendation	23,791,997,000

The Committee recommends an appropriation of $23,791,997,000. This is $1,860,833,000 below the budget request and $109,191,000 below the House allowance.

This appropriation provides for the activities of the active Navy, including the pay of civilian personnel, operation and maintenance of aircraft, vessels, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	25,652,830	25,652,830	
Budget amendment	−32,000		32,000
Flying hours	−14,000	−4,000	10,000
Foreign currency financing	−67,800		67,800
DLA surcharge	−106,400	−89,820	16,580
Stock fund surcharge	−100,000	−102,074	−2,074
FERS assumptions	−113,690		113,690
Moral, welfare, and recreation/NAF	−10,000	−14,500	−4,500
CHAMPUS DRG's	−50,700	−59,000	−8,300
Dental CHAMPUS	−16,000	−18,000	−2,000
Other medical	−5,600		5,600
Administration/headquarters reductions	−20,900	−7,100	13,800
Transportation	−3,878	−9,300	−5,422
Special assignment airlift	−2,322	−2,322	
Improved logistics management	−25,000		25,000
Leased telecommunications	−20,000	−10,000	10,000
Automatic data processing operations	−26,600		26,600
Training	−16,862		16,862

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Professional development	- 1,138	- 1,580	- 442
Education	- 1,500		1,500
Command, control, and communications	- 32,500	- 50,000	- 17,500
Classified programs	- 21,852	- 9,533	12,319
Overseas banking	- 7,700		7,700
Savings	- 158,100		158,100
Overseas labor contract	- 59,400	- 47,500	11,900
Japanese defense contributions		- 48,341	- 48,341
Persian Gulf	100,000		- 100,000
Stock fund refund	- 360,000		360,000
Industrial fund passthrough	- 191,100	- 191,100	
Coast Guard operations	100,000		- 100,000
Base operations support	- 76,000	- 101,320	- 25,320
Bone marrow registry	2,100		- 2,100
ASW system maintenance	- 9,800	- 9,800	
Submarine silencing	24,900		- 24,900
Asset capitalization/IF overhead	- 71,300	- 142,500	- 71,200
Travel	- 15,300	- 39,175	- 23,875
Base adjustment/inflation	- 93,700	- 113,700	- 20,000
Contractor support services	- 14,600	- 70,666	- 56,066
Recruiting and advertising	- 21,200		21,200
Acquisition personnel	- 57,000		57,000
Civilian end strength		- 49,502	- 49,502
Supply operations		- 15,426	- 15,426
Expense/investment criteria		- 48,400	- 48,400
Contracting out		- 31,600	- 31,600
Work-year pricing		- 89,959	- 89,959
Student dependent travel		- 700	- 700
Inactive ship upgrades		- 17,990	- 17,990
Rescheduled ship maintenance	- 127,700	- 203,361	- 75,661
Aircraft depot maintenance		- 73,455	- 73,455
Voyage repairs/delivery delays	- 27,000	- 26,951	49
Midway deactivation		- 108,994	- 108,994
Trident support		- 18,100	- 18,100
P-3 aircraft maintenance		- 10,001	- 10,001
Sea college		- 300	- 300
Other authorization reductions		- 44,700	- 44,700
AIDS education		3,000	3,000
Claims, Defense transfer		16,937	16,937
Total adjustments	- 1,751,642	- 1,860,833	- 109,191
Recommended appropriation	23,901,188	23,791,997	

COMMITTEE ADJUSTMENTS

ASW system maintenance.—The Committee recommends a reduction of $9,800,000 for antisubmarine warfare [ASW] system maintenance, which is consistent with the House allowance. Since development of the budget, the delivery dates for the AN/BSY-1 and vertical launched ASROC systems have been delayed, thereby eliminating the need for operation and maintenance funding for these systems.

Helicopter training.—The Committee believes the Navy and Marine Corps could improve undergraduate helicopter training and significantly reduce costs by adopting the multitrack system developed by the Army. The Committee requests a report by June 15, 1988, evaluating application of this system to Navy and Marine Corps undergraduate helicopter pilot training.

Trident support contract.—The Navy has identified savings in Trident support contracts based on higher than expected reliability. The Committee recommends a reduction of $18,100,000 since these savings were identified after the 1988 budget was submitted.

Navy Reserve vessel repair.—Because of the recent passage of the 1988 Defense authorization, H.R. 1748, the Committee has not included bill language, as proposed by the House, regarding Navy Reserve vessels. The Committee expects the Navy to comply with the provisions requiring coastwide competition for Navy Reserve vessel repair.

P–3 aircraft maintenance.—The Committee recommends a reduction of $13,825,000 for P–3 aircraft maintenance based on a General Accounting Office audit of the Navy's program. Of this reduction, $3,824,000 is allocated to Operation and maintenance, Navy Reserve.

The General Accounting Office has ascertained that many P–3 aircraft are not inspected under the Navy's Aircraft Service Period Adjustment Program to determine if they require maintenance. Of 68 P–3 aircraft sent to the depots for overhaul in 1986, 30 had not been inspected. GAO recommends that the Navy increase aircraft availability and reduce costs by performing more inspections, scheduling overhauls more efficiently, and concentrating its depot labor force on fewer aircraft. The Committee recommendation is based on the Navy applying GAO recommendations to its 1988 P–3 maintenance program.

Excess flying hours.—The Committee recommends a reduction of $4,000,000 based on the Navy's overestimate of flying hours for the F–16N adversary training aircraft, and validation of flying hour requirements for several other Navy aircraft. The House allowance also reduced $4,000,000 for this overestimate.

Industrial funding of naval centers.—The Committee does not concur with House bill language, section 8131, that prevents the conversion of two Navy industrially funded activities to direct appropriation funding.

The Navy's 1988 budget (1989 column) proposes to change financing of two aviation centers from industrial funding, with several customer appropriations making payments to the Navy industrial fund, to direct funding. The amount of appropriated support does not change under this approach, with $139,200,000 requested in operation and maintenance, Navy, and $22,400,000 requested in other procurement, Navy (in lieu of the Asset Capitalization Program).

The Committee is aware that there is substantial concern that shifting these activities to direct appropriations could negatively affect employment levels and operations. The Committee, therefore, requests that the General Accounting Office review the Department's proposal and report back to the Committee by April 29, 1988. This report should review: (1) the Department's rationale and justification; (2) employment impacts; (3) operational impacts; and (4) any additional costs or savings involved in the conversion.

Unnecessary voyage repairs/delivery delays.—The Committee recommends a reduction of $26,951,000 for unnecessary voyage repairs and ship delivery delays, which is consistent with the House allowance. The

Navy budgeted $21,651,000 in voyage repairs for 47 Navy ships that will be undergoing maintenance repairs during most or all of fiscal year 1988. Further, the Navy budget, as noted earlier in this report, did not take into account delays in deliveries of new vessels in fiscal year 1988. Some $5,300,000 in initial operating funds requested in the fiscal year 1988 budget for these ships will not be required.

Inactive ship upgrades.—The Committee recommends a reduction of $17,990,000 to the funds requested for upgrades of ships in the inactive fleet. This represents a 50-percent reduction in the request. The fiscal year 1988 inactive ship upgrade program requests substantial growth above 1987. The Committee believes that in a period of budgetary constraint, inactive ship upgrades should be accorded a lower priority.

Stock fund cash.—The Committee allowance assumes $389,400,000 in Navy stock fund cash will be used to finance flying and steaming hour costs based on fuel price and operating tempo increases. The Committee does not concur with the House allowance which reduced operation and maintenance, Navy, by $360,000,000 and directed a refund in lieu of appropriations.

Stock funds are managed to have 11 days of cash available at any time. The Navy stock fund finished fiscal year 1987 with a cash balance of $747,400,000, or $389,400,000 in excess of the 11-day requirement. Since the Navy is experiencing high operating costs in 1988, and has an unbudgeted requirement for $200,000,000 in fuel, and $38,000,000 for survivability upgrades following the *Stark* incident. The Committee believes excess cash would be better used for these costs than allowing high balances to accumulate in the stock fund. Section 8044, includes transfer of these funds.

U.S.S. Croaker.—The Navy is currently negotiating with the city of Groton, CT, concerning the final disposition of the former Navy submarine U.S.S. *Croaker.* The *Croaker* was built by Electric Boat in Groton and saw extensive and gallant service in the Pacific during World War II. The local community would like to build a museum and memorial honoring that service, using the submarine itself as the centerpiece for the proposed memorial.

The Committee encourages the Navy to cooperate with the local government in this endeavor to the maximum extent possible, particularly with respect to temporary berthing arrangements, pending approval of a permanent berthing site and the availability of State funds to restore the *Croaker* and build the memorial next year.

SSN overhaul and repair.—The 1988 authorization act deleted funding for the planned overhaul and operation of the U.S.S. *Andrew Jackson*, SSBN–619, which was scheduled to be overhauled at Charleston Naval Shipyard during fiscal year 1988. This action was taken as part of the overall arms control provisions contained in H.R. 1748.

The Committee has not reduced funding associated with the SSBN, and recognizes the Navy has several SSN's that require repair in 1989 and 1990, and other vessels that will require unscheduled repairs due to the rigorous and continuous operations in the Persian Gulf. The Committee recommends that the Navy reschedule some of these planned future overhauls and emergent work packages into 1988 in order to eliminate manpower reductions and disruption in efficient workload scheduling in the Charleston shipyard that could occur by the SSBN-619 decision.

Naval Arctic Research Laboratory [NARL].—The Committee is pleased to note that the negotiations between the Navy and the Ukpeagivik Inupiat Corp., are progressing toward a mutually beneficiary conclusion with respect to the transfer of the Naval Arctic Research Laboratory. The Committee expects that there will be additional cost to finalize and terminate the transfer of the facility. These costs should not exceed $980,000.

Rescheduled ship maintenance.—The Committee recommends a reduction of $203,361,000 in recognition of changes that the Navy has made to its ship maintenance schedule since submission of the 1988 budget and for rescheduled post shakedown availabilities. The recommendation is $75,661,000 below the House allowance.

The General Accounting Office conducted an in-depth review of the Navy's ship maintenance schedule for the Committee. The Navy requested $190,663,000 in fiscal year 1988 for seven ships that the Navy already has inducted for repair, and has funded with fiscal year 1987 appropriations. The Committee recommendation recognizes that fiscal year 1988 funds are no longer required for these ships. The House reduced $115,000,000 for 17 other vessels, based on changes made during the annual ship maintenance scheduling conference.

The Committee recommendation also includes a reduction of $12,698,000 for several post-shakedown availabilities which the Navy has moved out of fiscal year 1988. This is consistent with the House allowance.

Aircraft depot maintenance.—The Committee recommends a reduction of $73,445,000 in Navy aircraft depot maintenance. Over the last several years the Navy has consistently overbudgeted its aircraft depot maintenance program. In 1985 and 1986, the Navy spent a combined total of $253,000,000 or 6.5 percent less than the amount appropriated. The Committee recommendation reduces the 1988 request by 5 percent based on this historical performance.

Ready Reserve Force ships.—The Committee recommends that the responsibility for the management of the contracts for the operation and maintenance of the Ready Reserve fleet be retained by the Maritime Administration [MarAd]. However, the Committee also recommends that the Department of the Navy be relieved of all budget responsibilities for such operation and maintenance after fiscal year 1988. Future costs of managing the program shall be reflected in the budget estimates of the Maritime Administration as submitted by the Office of Management and Budget, with an appropriate adjustment in the allocation to the Commerce, Justice, State Appropriations Subcommittee.

The Committee is concerned that operation and maintenance costs for ships of the Ready Reserve fleet [RRF] are excessive. At present, the Maritime Administration manages the general agency agreement and contracts for maintenance of the Ready Reserve fleet. Since the Navy finances the contract and MarAd manages the program, neither Federal entity has an incentive to reduce costs. The Committee believes that the merging of the financial and administrative responsibilities will provide such an incentive.

The Committee requests the Department to submit a feasibility study to the Committee detailing a plan which assigns the Naval Reserve responsibility for manning RRF ships during military surge sealift. The Committee believes that the plan should include steps to recruit the entire private sector merchant manpower pool into the Naval Reserve, and that this manpower pool continue to be used to the maximum extent practicable.

The Committee feels that the RRF is currently being underutilized, and could be used as a tool in further training of Naval reservists. The Department is directed to investigate the feasibility of developing a schedule for increased training exercises with all personnel involved being paid at Naval Reserve wages.

The Committee expects that the normal operation and maintenance of the RRF will continue to be performed by the private merchant manpower pool until the Congress has had an opportunity to evaluate and act on the plan. The Committee directs the Department, in consultation with the Department of Transportation, to complete the feasibility study by May 1, 1988.

Midway deactivation.—The Committee recommends a reduction of $108,994,000 for savings from deactivation of the CV–41, the *Midway*. The House did not address this issue.

The *Midway* is an old aircraft carrier that should be retired. The *Midway* was originally commissioned in 1945 and later modified in the 1960's. Although modernized, the ship is a small aircraft carrier that: (1) cannot operate F–14 aircraft; (2) carries a smaller complement of aircraft than new carriers; (3) has 12 boilers and is very labor intensive. Since the *Midway* is a conventional carrier, the vessel must be refueled on the average every 3 days, and it has a limited magazine capacity. In attempts to make the vessel more capable, the Navy has overloaded the ship and increased its weight from 45,000 to 62,600 tons; the *Midway* has been extended far beyond its design life.

In 1986, the Navy added hull blisters, in Japanese shipyards, to make the ship more stable. These blisters did not work and instead increased the ships roll and have made it unable to conduct aircraft operations in heavy sea and adverse weather conditions. In rough weather conditions (sea state 4 to 5), the *Midway* now rolls from side to side every 11 seconds, making it difficult for aircraft takeoffs and landings. Such sea conditions are often encountered in the North Pacific, the *Midway's* principal operating area. A modern large aircraft carrier can conduct air operations in rougher seas and high winds, with a roll from side to side every 22 seconds. Finally, the *Midway* is so overweight that the aircraft storage areas get wet, thus corroding the ship's aircraft.

In 1988, the Navy is proposing to modify these blisters in Japanese shipyards. The Committee estimates that these modifications will cost approximately an additional $80,000,000 when inflated for the cost of the Japanese yen relative to the United States dollar. Further, based on results, there is no assurance that the blister modifications will return the ship to a full flight capable condition. According to Navy testimony, the *Midway's* roll will still be 7 seconds quicker than a large carrier, if modifications work successfully.

Deactivating the *Midway* in mid-1988 will avoid spending additional design change funds, and will provide approximately $100,000,000 in outlay savings to offset the 1988 deficit impact of funding a new aircraft carrier.

Authorization changes.—The Committee recommends the following reductions totaling $196,020,000 based on the 1988 Defense authorization, H.R. 1748:

Communications	−$50,000,000
Logistics technical support	−4,000,000
Logistic field support	−10,000,000
Industrial preparedness	−8,700,000
Special skill training	−2,000,000
Flight training	−2,000,000
Training support	−10,000,000
Education/personnel support	−3,000,000
Other fleet support	−5,000,000
Base operations	−101,320,000

OPERATION AND MAINTENANCE, MARINE CORPS

1987 appropriation	$1,802,050,000
1988 budget estimate	1,918,367,000
House allowance	1,840,992,000
Committee recommendation	1,799,714,000

The Committee recommends an appropriation of $1,799,714,000. This is $118,653,000 below the budget estimate and $41,278,000 below the House allowance.

This appropriation provides for the activities of the active Marine Corps, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	1,918,367	1,918,367	
Foreign currency financing	−30,500		30,500
DLA surcharge	−13,000	−11,062	1,938
FERS assumptions	−7,575		7,575
Moral, welfare, and recreation/NAF	−3,000		3,000
Administration/headquarters reductions	−2,000	−6,300	−4,300
Transportation	−1,600	−400	1,200
Special assignment airlift		−1,755	−1,755
Depot maintenance	8,600		−8,600
Training	−1,700		1,700
Command, control, and communications	−1,000		1,000
Savings	−3,000		3,000
MPS maintenance	10,000		−10,000
Contractor technical services	−1,000		1,000
Industrial fund passthrough	−3,700	−3,700	
Industrial fund factor	−200		200
Base operations support	−15,000	−15,000	
Asset capitalization/IF overhead	−1,100	−2,200	−1,100
Travel	−400		400
Base adjustment/inflation	−5,200	−5,200	
Recruiting and advertising	−4,000	−6,550	−2,550
Supply operations	−2,000	−1,576	424
Japanese defense contribution		−6,467	−6,467
Expense/investment criteria		−7,300	−7,300
Contracting out		−8,600	−8,600
Student dependent travel		−200	−200
Real property maintenance		−30,000	−30,000
Other authorization reductions		−7,000	−7,000
Work-year pricing		−5,343	−5,343
Total adjustments	−77,375	−118,653	−41,278
Recommended appropriation	1,840,992	1,799,714	

COMMITTEE ADJUSTMENTS

Authorization changes.—The Committee recommends the following reductions totaling $22,000,000 based on the 1988 Defense authorization, H.R. 1748:

Depot maintenance	−$2,000,000
Modernization	−1,000,000
Logistics support	−2,000,000
Training and education	−2,000,000
Base operations	−15,000,000

OPERATION AND MAINTENANCE, AIR FORCE

1987 appropriation	$18,736,920,000
1988 budget estimate	21,325,282,000
House allowance	19,881,516,000
Committee recommendation	19,888,916,000

The Committee recommends an appropriation of $19,888,916,000. This is $1,436,366,000 below the budget estimate and $7,400,000 above the House allowance.

This appropriation provides for the activities of the active Air Force, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	21,325,282	21,325,282	
Flying hours	-111,000		111,000
Foreign currency financing	-106,900		106,900
DLA surcharge	-116,300	-98,257	18,043
Stock fund, policy/surcharge	-100,000	-52,068	47,932
FERS assumptions	-79,593		79,593
Moral, welfare, and recreation/NAF	-28,000	-17,100	10,900
CHAMPUS DRG's	-35,100	-40,600	-5,500
Dental CHAMPUS	-9,800	-12,500	-2,700
Other medical	-25,400		25,400
Administration/headquarters reductions	-13,600	-41,700	-28,100
Transportation	-79,364	-9,900	69,464
Special assignment airlift	-7,236	-7,236	
Depot maintenance	75,000	-126,765	-201,765
Logistics management systems	42,000		-42,000
Procurement offsets	-30,000	-30,000	
Leased telecommunications	-70,000	-35,000	35,000
Automatic data processing operations	-81,000		81,000
Training	-3,000		3,000
Professional development		-1,222	-1,222
Education	-6,600		6,600
Command, control, and communications	-10,000	-10,000	
Classified programs	-9,473	-11,038	-1,565
Savings	-113,200	-113,200	
Overseas labor contract	-16,800	-16,800	
Japanese defense contribution		-41,922	-41,922
Travel	-15,000	-65,103	-50,103
Space operations	-50,000	-50,000	
Vandenberg STS	-50,000		50,000
Titan missiles	-1,200	-1,200	
Surveillance radars	-25,000		25,000
Civil Air Patrol	2,000		[1] -2,000
C-5 trainer contract	-1,000	-1,000	
Defense satallite communications system	-4,200	-4,200	
Civilian PCS	-7,800	-7,800	
Air Force cost center	-1,000		1,000
Base operations support	-112,000	-112,000	
Asset capitalization/IF overhead	-25,000	-49,800	-24,800
Base adjustment/inflation	-66,600	-66,600	
Contractor support services		-48,462	-48,462
Recruiting and advertising		-6,080	-6,080
Acquisition personnel	-87,000		87,000
Civilian endstrength		-32,649	-32,649
Supply operations		-16,992	-16,992
Expense/investment criteria		-28,200	-28,200

See footnote at end of table.

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Contracting out		-24,800	-24,800
Work-year pricing		-52,847	-52,847
Student dependent travel		-1,800	-1,800
Real property maintenance		-50,000	-50,000
Flying hour pricing	-16,200	-16,200	
SAC refresher flying hours		-13,311	-13,311
B-1B flying hours	-40,000	-43,920	-3,920
EDS/PDS offset	-8,000	-24,382	-16,382
USAFE headquarters		-25,000	-25,000
Leather jackets		-7,420	-7,420
Air Force historians		-1,179	-1,179
SOFC transfer		7,000	7,000
Decker Field		500	500
Other authorization reductions		-54,000	-54,000
AIDS education		3,000	3,000
Claims, Defense transfer		23,387	23,387
Total adjustments	-1,443,366	-1,436,366	7,400
Recommended appropriation	19,881,916	19,888,916	

[1] Committee funded this increase from within available funds.

COMMITTEE ADJUSTMENTS

Civilian PCS.—The Committee recommends a reduction of $7,800,000, the same as the House allowance. The Committee concurs with the House in noting that the Air Force is the only service that budgeted additional funds for civilian PCS. The Air Force should accommodate any requirements within existing funding levels.

Titan missiles.—The Committee recommends a reduction of $1,200,000 for Titan missile operations. These funds are unnecessary because the last Titan ICBM was removed from operation in fiscal year 1987. The Committee concurs with the House allowance.

C–5 training contract.—The Committee recommends a reduction of $1,000,000 for savings in the C–5 aircrew simulator contract, consistent with the House allowance.

Decker Field.—The Committee recommends an increase of $500,000 for minor repairs at Decker Field, UT. Decker Field serves an important role as an outlying operating base for red flag exercises. The field simulates realistic conditions at a forward operating base with minimal logistic support.

Flying hour pricing.—The Committee recommends a reduction of $16,200,000 for pricing of Air Force flying hours, which is consistent with the House allowance. The General Accounting Office has advised the Committee that flying hour costs for various aircraft operated by USAFE, PACAF, and TAC Commands will be lower than assumed in the budget.

Air Force historians.—The Committee recommends a reduction of $1,179,000 for Air Force historians. The Air Force did not fully annualize the reduction made in Air Force historian programs in 1987. The Air Force still spends more on historians than any other service.

Depot maintenance.—The Committee recommends a reduction of $126,765,000 in Air Force depot maintenance, and has not added funds as proposed by the House. The Air Force has elected to spend less for depot maintenance each year than the Congress has provided. It is internally reprogramming these funds for other uses. In 1986, $3,400,000,000 was appropriated for depot maintenance, of which the Air Force spent $2,800,000,000 and reprogrammed $600,000,000. In 1987, the Congress appropriated $3,200,000,000 and the Air Force chose to reprogram $126,000,000 from depot maintenance. The Committee recommendation reduces depot maintenance by 4.3 percent, which historical experience indicates the Air Force will choose to do if the funds are appropriated.

Leather flight jackets.—The Committee concurs with the House position and also recommends a reduction of $7,420,000 for Air Force leather jackets. The Committee questions the requirement to procure jackets that are not required for flight operations.

B-1B flying hours.—The Committee recommends a reduction of $43,920,000 for B–1B flying hours, which is $3,920,000 below the House allowance. Because of maintenance and logistics problems, the B–1B fleet was able to fly only 50 percent of budgeted hours in 1986 and only 66 percent of the hours budgeted in 1987. Recent evidence indicates that these problems will continue and that the 1988 budget estimate for B–1B flying hours is too high. The recommendation allows for 75 percent of the budget request.

Space operations.—The Committee recommends a reduction of $54,200,000, which is $50,000,000 above the House allowance. The Committee agrees with the House reduction to the defense satellite communications system [DSCS] that will result in savings of $4,200,000. The Committee believes that savings will occur in Air Force space operation and maintenance requirements due to such program changes as STS delays, payload assist module requirements, and launch delays.

The Committee does not concur with the House position on the Vandenberg AFB shuttle facility. The House reduced Vandenberg shuttle operations by $50,000,000 and recommended that the facility be mothballed. The Air Force claims that the current budget is for putting the facility in a minimum caretaker status, and to reduce it further could preclude any future opportunities to activate a west coast shuttle launch facility for polar-orbiting missions.

European distribution/Pacific distribution systems.—The Committee recommends a reduction of $24,382,000 for the European and Pacific distribution systems. The House defined the Pacific distribution system [PDS] as a new start, and reduced $8,000,000 for PDS automatic data processing.

In 1986 and 1987, the Committee reduced the European distribution system [EDS] flying hour program because the Committee does not agree with the level of flying hours needed to maintain a wartime capability for such a logistics system. In 1987, the Air Force agreed to solicit airlift customers to use EDS before other airlift or commercial carriers. The Committee recommendation assumes that EDS costs will be offset through this policy in 1988. The Committee believes that a wartime EDS system could be better provided by making EDS a Guard and Reserve mission in peacetime.

The Committee has denied funds to initiate a Pacific distribution system that would use C-12 aircraft. The Committee found no description of this proposed system in budget justification materials. The Committee considers the PDS to be a new start and will consider funding pending submission of the Air Force's next budget.

SAC refresher flying hours.—The Committee recommends a reduction of $13,311,000 for discontinuation of Strategic Air Command [SAC] refresher training hours in T-37 and T-38 aircraft. The House did not address this issue.

The Air Force budgets flying hours in T-37 and T-38 training aircraft for SAC copilots. These aircraft are used to gain extra flying time outside of normally scheduled B-52 and B-1B training missions. While gaining additional flying hours in trainers may be good for morale, the T-37 and T-38 aircraft are needed for training of undergraduate pilots and have little relevance to bomber missions.

ALC manpower.—The Committee understands that, given the current budget environment, the Air Force is considering manpower reductions at air logistics centers [ALC's]. Air logistic centers specialize in various weapons systems, with only limited duplication between sites. Thus, the Committee strongly supports the Air Force's plan to maintain a balanced maintenance program between the various centers. The Committee expects that the Air Force maintain each ALC at an equivalent percentage of full employment and workload. This approach is necessary to maintain an appropriate and responsive depot maintenance program and skilled work force.

USAFE.—The Committee recommends a reduction of $25,000,000 for headquarters and general support funding of U.S. Air Force Europe. The House did not address this issue.

For 2 years, the Committee has requested the Department to analyze USAFE staffing and support vis-a-vis U.S. Army Europe. The Committee believes that the Air Force overhead and support levels are significantly richer than the Army. The Department refuses to conduct such a review. In the absence of the analysis requested, the Committee believes reductions in USAFE support are appropriate.

Hamilton Air Force Base cleanup.—The Committee expects the Air Force to make $20,000,000 available for the cleanup of hazardous waste at Hamilton AFB, Novato, CA.

The Committee is concerned that the successful civilian reuse of Hamilton Air Force Base has been jeopardized by the Department of Defense's failure to clean up hazardous waste. Hamilton Air Force Base was deactivated and declared excess in the mid-1970's and in March 1985 the General Services Administration [GSA] issued an invitation to bid on 400 acres. Three days before the sale was to close, however, GSA informed the successful bidder that a hazardous waste site existed on the base. The existence of this hazard had not been disclosed in the solicitation. The General Accounting Office has issued a report that is highly critical of the manner in which the Department of Defense and GSA handled this sale.

The successful bidder, nevertheless, is prepared to complete the transaction, as long as the Federal Government meets its obligation and cleans up the hazardous waste site to unrestricted use. The Committee believes that such remedial action is needed and that the Air Force, which created the hazardous waste, should make $20,000,000 available to clean up Hamilton Air Force Base.

The Committee expects that the cleanup be undertaken in accordance with the agreement between the Federal Government and the purchaser as outlined in the document entitled "Hamilton Army Air Force Base Letter of Intent Re: Sale Closing" dated June 24, 1987. The successful and safe reuse of this former base necessitates expedient action on this matter.

Other House adjustments.—The Committee concurs with a House reduction of $113,200,000 for forecasted management savings. The House noted in its report that, in fiscal year 1988, the Army projected management and program savings of $178,000,000, and the Navy projected $377,000,000 in such savings. The Air Force, however, projected and integrated savings of only $41,000,000 in its budget. The Committee concurs with the House that if the Air Force made efforts in such areas as energy conservation, automatic data processing, publications management, and telephone systems, it could reduce appropriation requirements commensurate with Army and Navy actions.

Authorization changes.—The Committee recommends the following reductions totaling $206,000,000 based on 1988 Defense authorization. H.R. 1748:

Small computers/ADP	−$41,000,000
Procurement offsets	−38,000,000
Commissary support	−5,000,000
Communications	−10,000,000
Base operations	−112,000,000

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

1987 appropriation	$8,514,434,000
1988 budget estimate	7,602,907,000
House allowance	7,044,011,000
Committee recommendation	7,176,276,000

The Committee recommends an appropriation of $7,176,276,000. This is $426,631,000 below the budget estimate and $132,265,000 above the House allowance.

This appropriation finances the operation and maintenance costs of the Office of the Secretary of Defense, the Office of the Joint Chiefs of Staff, and various defense agencies and field activities, including: the Defense Logistics Agency, the Defense Communications Agency, the Defense Mapping Agency, the Defense Nuclear Agency, the Defense Contract Audit Agency, the Office of Dependent Education, Office of the Inspector General, and Washington Headquarters Service.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	7,602,907	7,602,907	
Base adjustment/inflation	-17,600	-17,600	
Travel	-22,500	-26,568	-4,068
Base operating support	-22,900	-22,900	
Contractor support services	-41,236	-11,942	29,294
Command, control, and communications	-15,000	-15,000	
Headquarters operations	-5,000		5,000
Stock fund refund	-4,600		4,600
Foreign currency	-6,981		6,981
Classified programs	-151,487	-119,206	32,281
FERS economic assumptions	-52,404		52,404
FERS population assumptions	-30,950		30,950
Acquisition personnel	-50,000		50,000
American Forces Information Services [AFIS]	-2,576		2,576
Stars and Stripes, Panama	-2,000	-2,000	
DCA industrial fund passthrough	-45,600	-45,600	
Defense Contract Audit Agency [DCAA]	-25,334		25,334
Defense information services activity [DISA]	-180		180
Defense Logistics Agency [DLA]	-39,740		39,740
Defense Nuclear Agency [DNA]	-1,725		1,725
Office of Economic Adjustment [OEA]	200		[1] -200
Office of the Inspector General [OIG]	-1,162		1,162
Office of the Secretary of Defense [OSD]	-5,938		5,938
Joint Recruiting Advertising Program [JRAP]	-6,500		6,500
University of Health Sciences [UHUHS]	400		-400
Washington headquarter services [WHS]	-8,233		8,233
NATO study	50		[1] -50
National Academy of Sciences [NAS]	100		-100
Goldwater Nichols Act reductions		-94,640	-94,640
Work-year pricing		-28,789	-28,789
Transportation		-3,200	-3,200
Japanese defense contribution		-730	-730
Supply operations		-7,809	-7,809
Expense/investment criteria		-19,700	-19,700
Professional development		-3,947	-3,947
SOFC transfer		-7,000	-7,000
Total adjustments	-558,896	-426,631	132,265
Recommended appropriation	7,044,011	7,176,276	

[1] Committee funded this increase within available funds.

COMMITTEE ADJUSTMENTS

Reorganization Act reductions.—The Committee recommends a decrease of $94,640,000 for the reductions mandated by the Goldwater-Nichols Defense Reorganization Act of 1986. The recommendation is $9,752,000 below the House allowance for specific Defense Agencies.

The Defense Reorganization Act mandates a 5-percent reduction from fiscal year 1986 levels for civilian personnel assigned to Defense Agencies and activities during fiscal year 1988. These reductions were not integrated into the 1988 budget and the Department of Defense is still examining how to allocate the reduction. The recommendation reduces funds associated with approximately 10,800 end strength, priced at 25 percent of an average work-year; however, the Committee does not require that this reduction be taken against civilian personnel levels.

In distributing Reorganization Act reductions, the Secretary should proportionately and fairly distribute reductions against all Defense Agencies except those specifically exempted in the act. Authorization reductions should be counted toward this reduction as follows:

Joint Chiefs of Staff	−$10,000,000
Defense Logisitics Agency	−10,000,000
Office of the Secretary of Defense	−10,000,000
Washington Headquarters Service	−13,000,000

Stars and Stripes.—The Committee recommends a reduction of $2,000,000 to the Armed Forces Information Service request for startup costs associated with creating a Stars and Stripes newspaper in Panama. The House has also made this reduction. The Committee concurs that the findings of the Stars and Stripes Advisory Task Force should be received and evaluated prior to beginning a new paper in Panama.

Office of Economic Adjustment.—The Committee recommends bill language providing the Office of Economic Adjustment $800,000 for community impact assistance.

The Committee concurs with the House allowance that provides $200,000 for Defense economic adjustment planning in southwestern Louisiana.

Procurement assistance.—The Committee concurs with the House allowance that funds a procurement outreach center.

NATO study.—The Committee recommends bill language providing $50,000 to finance the U.S. contribution to a study on the future of the North Atlantic Treaty Organization, which is also supported in the House allowance.

Family advocacy.—The Committee has provided $15,166,000 for the Family Advocacy Program. This is consistent with the budget request. The Committee remains supportive of efforts targeted toward families with handicapped children, and especially single parent families with such children. The Committee again urges the Department to ensure that timely access is available for quality respite care where appropriate.

Authorization changes.—The Committee recommends the following reductions totaling $37,900,000 based on the 1988 Defense authorization, H.R. 1748:

Communications	−$15,000,000
Base operations	−22,900,000

OPERATION AND MAINTENANCE, ARMY RESERVE

1987 appropriation	$782,433,000
1988 budget estimate	879,103,000
House allowance	844,851,000
Committee recommendation	859,703,000

The Committee recommends an appropriation of $859,703,000. This is $19,400,000 below the budget request and $14,852,000 above the House allowance.

This appropriation provides for the activities of the Army Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	879,103	879,103	
Budget adjustment/inflation	−1,700	−1,700	
Full-time support [AGR]	−4,481		4,481
Travel	−7,083	−4,904	2,179
Base operating support	−2,508	−2,508	
Stock fund refund	−7,400		7,400
Keystone contract	−3,627		3,627
Recruiting and advertising	−2,700		2,700
FERS economic assumptions	−2,988		2,988
FERS population assumptions	−1,765		1,765
Civilian technician growth		−7,314	−7,314
Work-year pricing		−2,974	−2,974
Total adjustments	−34,252	−19,400	14,852
Recommended appropriation	844,851	859,703	

OPERATION AND MAINTENANCE, NAVY RESERVE

1987 appropriation	$887,932,000
1988 budget estimate	957,115,000
House allowance	926,899,000
Committee recommendation	940,138,000

The Committee recommends an appropriation of $940,138,000. This is $16,977,000 below the budget request and $13,239,000 above the House allowance.

This appropriation provides for the activities of the Navy Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities. Costs of operating the Marine Reserve Air Wing are also included.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee adjustments recommended, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	957,115	957,115	
Budget adjustment/inflation	-3,000	-3,000	
Full-time support [TAR]	-434		434
Travel	-2,261	-1,152	1,109
Base operating support	-6,700	-6,700	
Stock fund refund	-3,900		3,900
Advertising	-1,291		1,291
Recruiting and advertising	-7,573		7,573
Ship maintenance and modernization	-3,926		3,926
Real property maintenance	509		-509
FERS economic assumptions	-1,031		1,031
FERS population assumptions	-609		609
Expense/investment criteria		-1,600	-1,600
P-3 aircraft maintenance		-3,824	-3,824
Work-year pricing		-701	-701
Total adjustments	-30,216	-16,977	13,239
Recommended appropriation	926,899	940,138	

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

1987 appropriation	$64,013,000
1988 budget estimate	71,361,000
House allowance	67,938,000
Committee recommendation	68,621,000

The Committee recommends an appropriation of $68,621,000. This is $2,740,000 below the budget request and $683,000 above the House allowance.

This appropriation provides for the activities of the Marine Corps Reserve, including the pay of civilian personnel and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee adjustments recommended, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	71,361	71,361	
Budget adjustment/inflation	-300	-300	
Full-time support [AGR]	-60		60
Travel	-289	-368	-79
Base operating support	-900	-1,800	-900
Stock fund refund	-1,800		1,800
FERS economic assumptions	-74		74
Expense/investment criteria		-200	-200
Work-year pricing		-72	-72
Total adjustments	-3,423	-2,740	683
Recommended appropriation	67,938	68,621	

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

1987 appropriation	$923,952,000
1988 budget estimate	1,018,257,000
House allowance	994,767,000
Committee recommendation	997,391,000

The Committee recommends an appropriation of $997,391,000. This is $20,866,000 below the budget estimate and $2,624,000 above the House allowance.

This appropriation provides for the activities of the Air Force Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	1,018,257	1,018,257	
Budget adjustment/inflation	-1,000	-1,000	
Full-time support [AGR]	-3		3
Paid drill strength	-1,488		1,488
Travel	-205	-530	-325
Base operating support	-6,600	-6,600	
Stock fund refund	-4,200		4,200
Transportation	-500		500
Recruiting and advertising	-1,846		1,846
FERS economic assumptions	-6,395		6,395
FERS population assumptions	-3,777		3,777
Expenses/investment criteria		-500	-500
Civilian technician growth		-10,989	-10,989

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Work-year pricing		-3,871	-3,871
Hurricane reconnaissance	2,524	2,624	100
Total adjustments	-23,490	-20,866	2,624
Recommended appropriation	994,767	997,391	

COMMITTEE ADJUSTMENTS

Hurricane reconnaissance.—The Committee recommends an increase of $2,624,000 in recognition of hurricane reconnaissance requirements established in the 1987 Supplemental Appropriations Act. The Committee also recommends increases of $374,000 in military personnel, and $4,800,000 in the "Guard and Reserve, equipment" account for this purpose.

The Committee concurs with the House, and recommends $4,800,000 to procure four improved weather reconnaissance system [IWRS] sets for the four WC-130 aircraft added to the 815th Air Force Reserve Weather Reconnaissance Squadron at Keesler AFB, MS. This equipment can be procured through the existing IWRS contract and will ensure that Active and Reserve hurricane aircraft are using the same equipment for meteorological observation and communications.

The Committee, however, does not believe it is necessary or feasible for the Air Force Reserve to make four aircraft dual capable for both weather reconnaissance and tactical airlift. Congressional action in the 1987 supplemental was intended to guarantee adequate hurricane reconnaissance for the general population and Defense installations on the gulf and east coast of the United States. With a minimum of 1,600 reconnaissance hours guaranteed from the 53d Weather Reconnaissance and 815th Air Force Reserve Squadrons (with 12 WC-130 aircraft), the Committee believes this goal has been accomplished. The Committee has included $100,000 above the House allowance to guarantee employment in the 815th Squadron in meteorological positions for any personnel that may have been displaced during implementation of squadron aircraft changes.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

1987 appropriation	$1,752,398,000
1988 budget estimate	1,862,152,000
House allowance	1,855,978,000
Committee recommendation	1,838,951,000

The Committee recommends an appropriation of $1,838,951,000. This is $23,201,000 below the budget request and $17,027,000 below the House allowance.

This appropriation provides for the activities and training of the Army National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimates, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	1,862,152	1,862,152	
Budget adjustment/inflation	-3,700	-3,700	
Full-time support [AGR]	-881		881
Civilian technicians	7,303	-6,521	-13,824
Armories	12,500		-12,500
Travel	-7,021	-3,018	4,003
Base operating support	-2,700	-2,700	
Recruiting and advertising	-500		500
FERS economic assumptions	-7,026		7,026
FERS population assumptions	-4,149		4,149
Expense/investment criteria		-300	-300
Work-year pricing		-6,962	-6,962
Total adjustments	-6,174	-23,201	-17,027
Recommended appropriation	1,855,978	1,838,951	

COMMITTEE ADJUSTMENTS

Environmental projects.—The Committee is pleased that the Army National Guard has complied with Committee direction to include $600,000 in its budget for continuation of the environmental improvement program. The Committee recognizes the benefits of this small, but worthwhile investment that provides realistic training for the National Guard and improvement of national and State parks and forests.

Aviation safety.—The Committee concurs with House report language regarding aviation safety at the Smyrna, TN, Airport.

The Committee also is aware of aviation safety concerns at the Salisbury-Wicomico, MD, airport which is used extensively by the Maryland National Guard, and also assists the Air Force 89th Military Airlift Wing and operations from Patuxent River Naval Air Station. To help ensure continued accessibility of the airport for military training and assure flight safety, the Committee requests that the National Guard Bureau, in conjunction with the Federal Aviation Administration, study the feasibility of maintaining air traffic control operations at this airport.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

1987 appropriation	$1,783,755,000
1988 budget estimate	1,972,992,000
House allowance	1,950,191,000
Committee recommendation	1,958,737,000

The Committee recommends an appropriation of $1,958,737,000. This is $14,255,000 below the budget request and $8,546,000 above the House allowance.

This appropriation provides for the activities of the Air National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

Program	House adjustments	Committee adjustments	Committee compared with House
Fiscal year 1988 budget request	1,972,992	1,972,992	
Budget adjustment/inflation	−2,800	−2,800	
Full-time support [AGR]	−13		13
Paid drill strength	−297		297
Civilian technicians	4,899	−1,763	−6,662
Travel	−218	−1,102	−884
Stock fund refund	−6,300		6,300
T–33 contract	5,000		−5,000
Recruiting and advertising	−1,323		1,323
FERS economic assumptions	−13,673		13,673
FERS population assumptions	−8,076		8,076
Expense/investment criteria		−3,500	−3,500
Work-year pricing		−7,490	−7,490
Minot Air Force Base		2,400	2,400
Total adjustments	−22,801	−14,255	8,546
Recommended appropriation	1,950,191	1,958,737	

COMMITTEE ADJUSTMENTS

Minot Air Force Base.—The Committee recommends $2,400,000 to support a new Air National Guard civil engineering unit at Minot AFB, ND. This unit should be manned by approximately 300 end strength and have full-time support of 50 technicians. Also included is $600,000 in Reserve personnel, Air Force. This unit would have a wartime mission to repair battle damage to overseas facilities.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

1987 appropriation	$4,323,000
1988 budget estimate	4,099,000
House allowance	4,095,000
Committee recommendation	4,099,000

The Committee recommends an appropriation of $4,099,000 for the National Board for the Promotion of Rifle Practice. The Committee recommendation funds the budget request and does not reduce $4,000 as proposed by the House.

CLAIMS, DEFENSE

1987 appropriation	$144,400,000
1988 budget estimate	273,574,000
House allowance	273,574,000
Committee recommendation	

The Committee recommends no appropriation for a separate claims account. This represents a reduction of $273,574,000 from the budget request and House allowance.

The Committee has included a general provision, section 8072, that enables service operation and maintenance accounts to pay claims they generate through day-to-day operations. This provision eliminates the requirement to continue a special "Claims, defense" appropriation account.

Operations of the Army, Navy, Marine Corps, and Air Force generate claims that are adjudicated and later paid from appropriations. Costs are difficult to estimate, and during the past few years a backlog has occured because claims have exceeded authorization and appropriations in the special "Claims, defense" account. Transferring responsibility for paying claims to the various operation and maintenance accounts will solve this problem, because, if claims exceed budget estimates, they can be covered with below threshold reprogrammings.

The Committee action is similar to the Department's transfer of CHAMPUS appropriations. The responsibility for paying claims should be aligned to the specific service generating the requirement.

COURT OF MILITARY APPEALS

1987 appropriation	$3,237,000
1988 budget estimate	3,461,000
House allowance	3,241,000
Committee recommendation	3,241,000

The Committee recommends an appropriation of $3,241,000. This is $220,000 below the budget request and the same as the House allowance

The U.S. Court of Military Appeals has consistently requested more funding than it has spent. Fiscal year 1986 expenditures were $500,000 less than originally budgeted, and DOD estimates that in fiscal year 1987 the Court will again not use all its appropriations.

ENVIRONMENTAL RESTORATION, DEFENSE

1987 appropriation	$375,900,000
1988 budget estimate	402,800,000
House allowance	392,800,000
Committee recommendation	402,800,000

The Committee recommends $402,800,000, the amount requested by the budget estimate, for environmental restoration, defense. The Committee recommendation is $10,000,000 above the House allowance.

The "Environmental restoration" account, created in 1984 by the Congress, allows the Defense Department to comply with the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Superfund legislation, which requires the Defense Department and other Federal agencies to take responsibility for environmental remedial action at Federal facilities.

The Committee concurs with much of the House report discussion of environmental programs. In its report, the House underscored the high priority the Department of Defense must assign to: (1) cleanup of contaminated sites; (2) disposing of hazardous waste from current operations; and (3) developing a system to prevent or at least minimize future environmental problems. The House also noted that the Defense environmental restoration program is moving from an analysis and priority setting phase to a phase in which most funding is used for actual cleanup of contaminated sites.

The Committee cannot concur, however, with the House decision to reduce $10,000,000 for the environmental restoration program. This special appropriation was first proposed by this Committee in fiscal year 1984 to emphasize the high priority assigned to environmental cleanup. The Committee is concerned that even funding the budget request of $402,800,000 will not adequately address fiscal year 1988 requirements. Funding requested and appropriated since 1984 is only beginning to make inroads into the large number of contaminated sites that accumulated from years of misuse. The Committee believes that environmental restoration and disposal of hazardous waste is a national priority that must not be diminished, even in a period of austere budget constraints.

HUMANITARIAN ASSISTANCE

1987 appropriation	$17,000,000
1988 budget estimate	
House allowance	10,000,000
Committee recommendation	13,000,000

The Committee recommends an appropriation of $13,000,000, the likely authorization level, which is $13,000,000 above the budget request and $3,000,000 above the House allowance.

This appropriation provides for the transportation of excess Department of Defense nonlethal supplies for humanitarian assistance to refugees.

The Committee understands that this program will continue to primarily provide humanitarian assistance to the Afghan refugees, with some assistance also for refugees in the Thailand-Cambodia border region. The Committee has added bill language establishing procedures for using these appropriations for humanitarian assistance in other areas. Because of the unique challenges involved in managing this assistance program, the Department has been unable to use all appropriations provided in 1986 and 1987. The Committee, therefore, recommends 1988 appropriations be available until September 30, 1989, rather than September 30, 1988, as proposed by the House.

TITLE III

PROCUREMENT

Appropriation Summary

The Committee recommends $83,194,015,000 for Department of Defense procurement programs in fiscal year 1988. This is a decrease of $692,656,000 below the budget request, and $9,270,532,000 above the allowance recommended by the House. Recommended allowances are tabulated below and explained in subsequent sections:

[In thousands of dollars]

	Fiscal year 1987 enacted	Fiscal year 1988 request	House allowance	Committee recommendation
Aircraft procurement, Army	2,780,750	2,473,959	2,587,357	2,672,582
Missile procurement, Army	2,206,800	2,458,466	2,263,628	2,358,150
Procurement of weapons and tracked combat vehicles, Army	3,804,300	3,152,537	3,140,637	3,231,313
Procurement of ammunition, Army	2,087,150	2,194,275	1,978,413	2,211,723
Other procurement, Army	5,118,752	5,870,860	5,133,387	4,890,326
Aircraft procurement, Navy	9,977,262	9,924,883	9,580,206	8,765,346
Weapons procurement, Navy	5,290,847	6,502,332	5,365,860	5,944,502
Shipbuilding and conversion, Navy	10,210,989	11,065,355	8,171,655	16,234,255
Other procurement, Navy	6,033,371	4,983,827	5,012,295	4,722,334
Coastal defense augmentation	200,000		20,000	
Procurement, Marine Corps	1,465,215	1,402,440	1,273,332	1,332,827
Aircraft procurement, Air Force	17,253,281	14,191,371	11,382,355	13,013,735
Missile procurement, Air Force	7,446,718	9,772,693	7,810,893	7,780,295
Other procurement, Air Force	9,326,326	8,570,482	8,082,632	7,913,593
Procurement, defense agencies	1,498,256	1,292,391	1,195,833	1,194,034
Defense Production Act purchases	13,000	30,800	13,000	13,000
National Guard and Reserve equipment	557,000		912,000	916,000
Total, title III, procurement: New budget (obligational) authority	85,270,017	83,886,671	73,923,483	83,194,015

PROCUREMENT OVERVIEW

The Committee's recommendations reduce this title by $692,656,000, approximately 0.8 percent. This is a smaller net adjustment than recommended in previous years, but the Committee offers this level in view of the downward trend in procurement accounts since fiscal year 1985. In constant dollars, fiscal year 1988 is $23,500,000,000 below the level provided in 1985, and is the lowest level for procurement since 1981. With declining dollars, the Committee's recommendations attempt to sustain modernization while avoiding costly duplication and lessening risk.

The Committee seeks to maintain minimum economic rates of production within the constrained funding. In certain instances, requested increases above minimum economic rates are denied because the associated marginal savings do not justify the upfront investment in this time of austere defense budgets. Further, the likelihood of future decreases in procurement funding makes sustaining levels in excess of minimum economic rates unrealistic. Rather than allow for the annual increases and decreases in production rates, the recommendations attempt to add stability to the process. The policy also allows for economic production of more systems than would otherwise be the case.

To offset the protection of economic rates, the Committee is recommending several programs for termination, programs of either low priority or duplicative of other efforts. The Committee also recommends deferring several programs because of program slippage. In addition, the Committee is concerned about problems which have been created in large part because of concurrency, and proposes to defer programs in an attempt to minimize costly design changes associated with concurrent development and production.

In a major program initiative, the Committee is recommending fully funding two new nuclear-powered aircraft carriers. Fully funding the two ships, authorized for limited funding in fiscal year 1988 and 1989, will provide significant savings to the Government. Furthermore, full funding is consistent with the Committee's longstanding opposition to incrementally funding defense procurement. This matter and all other recommendations are discussed in the appropriation account descriptions below.

PENSION OVERFUNDING

There has been considerable speculation regarding the overfunding of pension costs on defense contracts. The General Accounting Office is currently examining this issue and has reported in the past on the status of pension funds of particular contractors. There is strong evidence that unexpectedly high earnings from pension investments in recent years have lowered pension requirements. The Committee is aware that the percentage of overhead for pension costs on defense contracts has been declining on average, and believes it is likely that the fiscal year 1988 budget request may be overstated for pension costs. In addition, it is possible that current contracts are overfunded for pension costs.

The Committee understands the Defense Department recognizes the decreasing pension requirements and has instructed its contract officers to take this into account when negotiating new contracts. In addition, it is the Committee's understanding that overstated pension costs on contracts previously awarded, other than firm fixed price contracts, are not considered allowable costs and any overfunding is returned to the Government.

The Committee is unclear what level of overfunding has occurred as a result of lowered pension costs. The recent downturn in stock market earnings raises significant questions on the possible overfunding. Further, it is unclear at what point in the funding process savings can be recouped by the proper authorities. As such, the Committee believes a reduction of funds at this time would be premature and imprudent. However, the Committee wants to be sure that any excess funds resulting from pension cost decreases are not reprogrammed for other purposes, and that such savings are not set aside as credits to lower costs of future contracts. The Committee strongly believes that all savings should be recouped by the Secretary of Defense and set aside for review by the Committees on Appropriations. As such, the Committee expects the Department of Defense to assess the impact of pension overfunding and report to the Committee by March 1, 1988, providing an estimate of savings by fiscal year and appropriation account.

DOMESTIC BEARING INDUSTRY

The Committee recognizes the importance of revitalizing the defense industrial base and particularly endorses efforts by DOD to assist the domestic bearing industry. These critical efforts are based on the 1986 Joint Logistics Commanders [JLC] bearing study which determined that bearing imports have severely harmed our domestic bearing industry and concluded that our domestic capacity is in imminent danger of being unable to support national defense needs.

In March of this year, DOD issued a bearing action plan restricting the acquisition of industrial bearings to domestic sources for a 3-year trial period. The Committee endorses this approach with only those limited exceptions noted below. The Committee directs that the bearing action plan be amended to incorporate the following three points proposed by the DOD:

One, all Government-to-Government coproduction and codevelopment projects under the Nunn NATO cooperation amendment should be exempt from the restrictions.

Two, DOD may waive the restrictions on a case-by-case basis when the delivery leadtime quoted by every qualified United States/Canadian bearing producer is unreasonable or a bearing that can perform the same function and meets DOD standards is otherwise unavailable. An unreasonable leadtime should be defined as substantially longer than the company's most recent annual average leadtime for the particular bearing.

Three, the requirement to purchase United States/Canadian bearings to fill existing DOD contracts should be phased in for NATO/MOU countries over an 18-month period, after which time all NATO/MOU producers, parts, and subassemblies supplied directly or indirectly to DOD for restricted weapon systems will contain (as specified on the list provided in the guidelines) United States or Canadian bearings for the duration of the restriction.

The foregoing are sufficient to cover all contingencies, and the Committee directs that no additional exceptions be made. The Committee notes that the JLC study was completed in June 1986 and expects its final implementation without undue delay.

UNCOMPENSATED OVERTIME

The Committee is aware of the concerns about the growing practice of firms bidding mandatory uncompensated overtime in offering professional and technical services for Department of Defense contracts. The Committee requests the Department to prepare a report on this practice, including an evaluation of its positive and negative aspects and its effect on the quality and stability of professional services available for the Nation's defense industrial base. The Committee anticipates that this information would be available during next year's appropriation hearings and hopes the report would be submitted to the Committee by April 15, 1988.

MACHINE TOOLS

A provision is included in the bill, section 8080, requiring that purchases of selected Federal supply classes of machine tools be made only from machine tools manufactured in the United States and Canada. It has come to the Committee's attention that the Soviet Union has established a facility in Canada for the purpose of assembling for sale in the United States machine tools actually manufactured in the Soviet Union. Other countries may also establish such facilities.

The Committee intends that the exemption does not apply to machine tools which are merely assembled in Canada but which are actually manufactured in the Soviet Union or in other foreign countries. The Committee would find it particularly objectionable if the Defense Department should purchase Soviet machine tools under the exemption provided for machine tools manufactured in Canada. The Committee, therefore, expects the Defense Department to exercise care and diligence to assure that the Soviet Union and others do not circumvent the prohibitions contained in this section.

SALE OF HMX FOR COMMERCIAL PROGRAMS

The Committee continues to support efforts by the Department of Defense to assist in the development of a national commercial space program. The negotiation of agreements providing Government launch facilities and services on a reimbursable basis to commercial contractors have been major milestones in this process, permitting the formalization of launch contracts for eight commercial missions to date. The Committee is concerned, however, over potential obstacles to continued growth of the commercial space launch industry caused by interpretations of current laws regarding the sale of Government controlled propellants to the private sector.

HMX, an ingredient in propellants, is produced solely at the U.S. Government facility at Holsten Army Arsenal. This is a critical ingredient for a viable commercial launch program. The Committee requests that the Department of Defense expeditiously modify or clarify existing regulations that prevent the sale of HMX to commercial launch activities and report these changes to the Committee not later than February 1, 1988.

AIRCRAFT PROCUREMENT, ARMY

1987 appropriation	$2,780,750,000
1988 budget estimate	2,473,959,000
House allowance	2,587,357,000
Committee recommendation	2,672,582,000

The Committee recommends an appropriation of $2,672,582,000, an increase of $198,623,000 above the President's budget and $85,225,000 more than the House allowance.

This appropriation provides funding for the acquisition of tactical and utility airplanes and helicopters, including associated electronics and communications equipment and armament; modification and modernization of in-service aircraft; flight simulators; ground support equipment; production base support; and depot reparable assemblies, components, and repair parts including spare engines, transmissions, and gear boxes.

COMMITTEE RECOMMENDED PROGRAM

The Committee recommends production of 156 helicopters and fixed-wing aircraft for the Army. This represents a decrease of 62 aircraft from the level funded in fiscal year 1987, but is 21 more than requested by the Army. The Committee recommendations attempt to safeguard economic rates of production for Army aircraft given a constrained budget environment.

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

COMMITTEE RECOMMENDED ADJUSTMENTS

AH-64 attack helicopter (Apache).—The budget request includes $654,585,000 for procurement of 67 attack helicopters. No funds were requested for advance procurement, because the Army plans to end Apache production in the coming year.

The Committee believes it is premature to terminate the AH-64 program because of uncertainties in the follow-on light helicopter [LHX] program. As such, the Committee recommends $811,000,000 for 77 helicopters. This level will allow the Army to continue production of Apache at an economic rate. Eighteen of the Apache helicopters are designated for the Army National Guard. The House recommends 71 helicopters and $752,785,000.

An additional $36,000,000 is provided for advance procurement to continue production in 1989. This is the same as recommended by the House.

UH-60A utility helicopter (Blackhawk).—The Committee recommends $297,820,000 for procurement of 72 Blackhawk helicopters, an increase of 11 helicopters and $52,800,000 from the budget request. The Committee believes it is important to protect the economic rate of production for UH-60 helicopters given the uncertainty of the LHX Program. This is an increase of $24,076,000 above the House allowance. Of the 72 helicopters, 8 of the helicopters added shall be provided to the Army National Guard.

Army Helicopter Improvement Program [AHIP].—The House provides $171,100,000 for modification of 36 OH-58C aircraft into the OH-58D AHIP. The Army plans to terminate this program in fiscal year 1988 because it is a lower priority item in view of serious budget shortfalls. The Committee agrees with the Army priorities and, therefore, does not recommend an increase in funding to continue production. A total of $48,000,000 is provided for program support and termination costs, as requested in the budget.

Special operations aircraft modifications.—The Committee recommends $101,700,000 for special operations modifications. This is $20,092,000 below the budget request, the same as the authorization funding.

Last year, the Army request of $3,000,000 for this new start was denied by the Congress. The Committee recommends reduced funding for the program in fiscal year 1988 recognizing funding constraints and due to the previous congressional action in this program.

The Committee understands that the Army plans a production of 14 helicopter modifications in the initial year of the program, well before the prototype will have completed testing. The House denied funding for the program, because of this concurrency. The Committee agrees with the House rationale except it believes that the reduced funding balances concurrency with the critical need to update SOF capabilities. The allowance recommended herein will allow the Army to begin a prudent program.

OH-58C modification.—The Committee recommends $28,811,000 for OH-58C modifications. This is a reduction of $8,200,000 from the budget request, based on a review by the GAO. The House provided $27,011,000 for this program.

AH-64 modifications.—The Committee recommends $68,451,000 for AH-64 modifications. This is a reduction of $10,300,000 from the budget request and the same as the House allowance. The adjustment is due to program delays in Apache air-to-air Stinger efforts.

Other adjustments.—The Committee recommends a reduction in CH-47 modifications by $5,000,000 and aircraft survivability equipment by $3,000,000 in conformance with authorization and House action.

Laser warning receivers.—The Committee expresses its support for the introduction of laser warning receivers into Army helicopters. Laser warning receivers can improve the survivability of helicopters against an array of increasingly effective antiaircraft weapons. In fiscal year 1984, the Committee denied funds for the AN/AVR-2 Laser Warning Receiver Program because of a GAO report which noted serious operational deficiencies and the need for further testing. In November 1986, the Army approved the system for initial production, but since that time funding has not been requested for this program. The Committee believes the funds necessary to initiate low-rate production should be included in the fiscal year 1989 budget request if the Army intends to proceed with this program and it continues to meet the Army's requirements.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
OV-1 Mohawk	17,484		17,484
Cessna skylane	194		194
EH-60A	20,706	1,950	20,706
RC-12D	45,452	39,452	45,452

MISSILE PROCUREMENT, ARMY

1987 appropriation	$2,206,800,000
1988 budget estimate	2,458,466,000
House allowance	2,263,628,000
Committee recommendation	2,358,150,000

The Committee recommends an appropriation of $2,358,150,000. This is $100,316,000 below the President's budget and $94,522,000 more than the House allowance.

This appropriation provides for the procurement of surface-to-air and surface-to-surface missile systems; air defense control and coordination systems; antitank/assault missile systems; modification of in-service missiles and supporting equipment; and related costs such as production base support.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
AIRCRAFT PROCUREMENT, ARMY										
AIRCRAFT										
FIXED WING										
GOLDEN KNIGHTS REPLACEMENT AIRCRAFT	2	13,599	2	13,599	2	13,599	2	13,599	---	---
C-20 AIRCRAFT	--	---	--	---	1	20,000	--	---	---	-20,000
CESSNA SKYLANE	2	194	2	194	--	---	2	194	---	+194
RC-12D RECON AIRPLANE	3	45,452	3	45,452	3	39,452	3	45,452	---	+6,000
ROTARY										
EH-60A HELICOPTER (QUICKFIX) (MYP)	--	20,706	--	20,706	--	1,950	--	20,706	---	+18,756
EH-60A HELICOPTER (QUICKFIX) (MYP) (AP-CY)	--	9,600	--	9,600	--	9,600	--	9,600	---	---
AH-64 ATTACK HELICOPTER (APACHE)	67	654,585	80	836,085	71	752,785	77	811,000	+156,415	+58,215
AH-64 ATTACK HELICOPTER (APACHE) (AP-CY)	--	---	--	36,000	--	36,000	--	36,000	+36,000	---
UH-60 (BLACKHAWK) (MYP)	61	245,020	72	297,820	72	273,744	72	297,820	+52,800	+24,076
UH-60 (BLACKHAWK) (MYP) (AP-CY)	--	208,400	--	208,400	--	208,400	--	208,400	---	---
TOTAL, AIRCRAFT		1,197,556		1,467,856		1,355,530		1,442,771	+245,215	+87,241
MODIFICATION OF AIRCRAFT										
OV-1 SURVEILLANCE AIRPLANE (MOHAWK)	--	17,484	--	17,484	--	---	--	17,484	---	+17,484
AIRPLANE, RECON, RU-21H (GR MOD)	--	3,174	--	3,174	--	3,174	--	3,174	---	---
RV-1 RECON AIRPLANE	--	---	--	---	--	---	--	---	---	---
AH-1S ATTACK HELICOPTER (COBRA-TOW)	--	---	--	---	--	---	--	---	---	---
AH-64 MODS	--	78,751	--	78,751	--	68,451	--	68,451	-10,300	---
CH-47 CARGO HELICOPTER MODS (MYP)	--	168,317	--	163,317	--	163,317	--	163,317	-5,000	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
CH-47 CARGO HELICOPTER MODS (MYP) (AP-CY)	--	63,600	--	63,600	--	63,600	--	63,600	---	---
CH-54 CARGO HELICOPTER (TARHE)	--	---	--	---	--	---	--	---	---	---
OH-58 OBSERVATION HELICOPTER (KIOWA)	--	37,011	--	37,011	--	27,011	--	28,811	-8,200	+1,800
UH-1 UTILITY HELICOPTER (IROQUOIS)	--	9,416	--	9,416	--	9,416	--	9,416	---	---
UH-60 (BLACKHAWK) MODS	--	33,798	--	33,798	--	33,798	--	33,798	---	---
ARMY HELICOPTER IMPROVEMENT PROG (AHIP)	--	48,100	--	138,100	--	149,100	--	48,100	---	-101,000
ARMY HELICOPTER IMPROVEMENT PROG (AHIP) (AP-CY)	--	---	--	22,000	--	22,000	--	---	---	-22,000
AIRBORNE AVIONICS	--	972	--	972	--	972	--	972	---	---
ASE MODIFICATIONS CLOSE COMBAT	--	96	--	96	--	96	--	96	---	---
MODIFICATIONS UNDER $2.0M (AIRCRAFT)	--	---	--	---	--	---	--	---	---	---
ACFT 9WW	--	25,797	--	25,797	--	25,797	--	25,797	---	---
SOF AIRCRAFT MODIFICATIONS	--	121,792	--	101,700	--	---	--	101,700	-20,092	+101,700
GROUND PROXIMITY WARNING SYS	--	---	--	---	--	---	--	---	---	---
TOTAL, MODIFICATION OF AIRCRAFT		608,308		695,216		566,732		564,716	-43,592	-2,016
SPARES AND REPAIR PARTS	--	512,122	--	512,122	--	512,122	--	512,122	---	---
SUPPORT EQUIPMENT AND FACILITIES										
GROUND SUPPORT AVIONICS										
AIRCRAFT SURVIVABILITY EQUIP (MYP)	--	68,692	--	65,692	--	65,692	--	65,692	-3,000	---
AIRCRAFT SURVIVABILITY EQUIP (MYP) (AP-CY)	--	12,000	--	12,000	--	12,000	--	12,000	---	---
OTHER SUPPORT										
AVIONICS SUPPORT EQUIPMENT	--	23,563	--	60,063	--	23,563	--	23,563	---	---
COMMON GROUND EQUIPMENT	--	28,125	--	28,125	--	28,125	--	28,125	---	---

AIR TRAFFIC CONTROL	--	2,885	--	2,885	--	2,885	--	2,885	---	---
SYNTHETIC FLIGHT TRAINING SYSTEMS	--	---	--	---	--	---	--	---	---	---
INDUSTRIAL FACILITIES	--	17,640	--	17,640	--	17,640	--	17,640	---	---
WAR CONSUMABLES	--	3,068	--	3,068	--	3,068	--	3,068	---	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		155,973		189,473		152,973		152,973	-3,000	---
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
DRUG SUPPLEMENTAL/HELICOPTERS	--	---	--	---	--	---	--	---	---	---
TOTAL, AIRCRAFT PROCUREMENT, ARMY		2,473,959		2,864,667		2,587,357		2,672,582	+198,623	+85,225
TRANSFER FROM OTHER ACCOUNTS		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE		2,473,959		2,864,667		2,587,357		2,672,582	+198,623	+85,225

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
MISSILE PROCUREMENT, ARMY										
OTHER MISSILES										
SURFACE-TO-AIR MISSILE SYSTEM										
CHAPARRAL...	122	34,189	122	30,189	122	30,189	122	30,189	-4,000	---
AIR DEFENSE SYS HEAVY................................	245	59,391	--	---	245	59,391	--	---	-59,391	-59,391
AIR DEFENSE SYS HEAVY (AP)...........................	--	---	--	33,500	--	33,500	--	5,000	+5,000	-28,500
OTHER MISSILE SUPPORT................................	--	4,505	--	4,505	--	4,505	--	4,505	---	---
PATRIOT(MYP)..	715	851,442	715	836,442	715	832,442	715	832,442	-19,000	---
PATRIOT(MYP) (AP-CY)................................	--	40,100	--	40,100	--	40,100	--	40,100	---	---
STINGER(MYP)..	4,200	154,153	4,200	154,153	4,200	135,953	4,200	125,953	-28,200	-10,000
STINGER(MYP) (AP-CY)................................	--	45,500	--	45,500	--	45,500	--	45,500	---	---
STINGER PEDESTAL MOUNT..............................	--	55,833	--	55,833	--	55,833	--	43,633	-12,200	-12,200
AIR-TO-SURFACE MISSILE SYSTEM										
LASER HELLFIRE SYSTEM...............................	5,000	168,358	5,000	168,358	5,000	168,358	6,000	203,358	+35,000	+35,000
ANTI-TANK/ASSAULT MISSILE SYSTEM										
TOW 2 (MYP)...	9,416	131,239	9,416	131,239	9,320	109,039	11,916	159,739	+28,500	+50,700
MULTIPLE LAUNCH ROCKET SYSTEM (MYP)..................	72,000	424,429	72,000	459,429	72,000	399,429	72,000	416,229	-8,200	+16,800
MULTIPLE LAUNCH ROCKET SYSTEM (MYP) (AP-CY)...........	--	22,700	--	---	--	---	--	---	-22,700	---
ARMY TACTICAL MISSILE SYSTEM (ATACMS)..................	--	15,125	--	15,125	--	7,325	--	---	-15,125	-7,325
ARMY TACTICAL MISSILE SYSTEM (ATACMS) (AP-CY)..........	--	1,800	--	1,800	--	1,800	--	1,800	---	---
TOTAL, OTHER MISSILES................................		2,008,764		1,976,173		1,923,364		1,908,448	-100,316	-14,916

COMMITTEE RECOMMENDED ADJUSTMENTS

OTHER MISSILES

Chaparral.—A revised fiscal year 1988 Army budget estimate submitted for the Chaparral rosette scan seeker [RSS] requested $34,189,000 to produce 277 all-up missiles and $17,900,000 within the modification line to retrofit 130 existing Chaparral missiles. The Army further informed the Committee it plans to apply $41,500,000 in prior-year funds to the 1988 contract award. The House recommended $30,189,000 for Chaparral procurement, a reduction of $4,000,000 from the request.

The Army's original acquisition strategy for the RSS guidance section, a one-time winner-take-all competition for the first production contract, was validated by a March 1987 study and approved on August 19, 1987, by an independent OSD review. However, on September 11, 1987, the Under Secretary of the Army approved a new dual-source acquisition strategy for the RSS guidance section.

The new strategy allows for a split buy between the current producer and a competitively selected second source until such time the Army feels the second source is ready to compete for a winner-take-all contract. The proposed plan initiates the split buy in fiscal year 1988.

The Committee agrees with the Army's new direction, however, is not convinced that a second source can be selected and facilitized in time to produce in this fiscal year. Further, the request for proposal has slipped at least 3 months, testing on the latest software changes is not completed, the technical data package is not validated, and disputes with the prime contractor on proprietary data rights have not been resolved.

The Committee recommends a reduction of $4,000,000 in fiscal year 1988 and a rescission of the prior-year funds and recommends the Army use the balance of the fiscal year 1988 request to support the competition, facilitize the new producer, and provide for a low-rate initial production for the prime contractor.

The Committee requests a report from the Army outlining the restructured acquisition strategy, the cost to facilitize the second source, and an analysis of continued dual source versus a winner-take-all competition.

Air defense system-heavy.—The Army requested $59,391,000 in fiscal year 1988 to initiate procurement of the replacement for the Sergeant York division air defense [DIVAD] system. The House recommended the full budget request and added $33,500,000 to establish a new advance procurement line.

Since the submission of the budget, the Army has informed the Committee of changes in the acquisition strategy for the follow-on system. This modified program is a result of the congressional objections to buying preproduction test assets with procurement funds and the Army's desire to accelerate fielding time by 8 to 12 months.

Preliminary reports on the testing currently underway do not indicate that any candidate systems will meet the Army's system requirements without modification. Until testing is complete and all results have been evaluated, the Army will not know the extent of modifications and product improvements necessary to meet the system requirements. The Committee feels it is premature to approve procurement funds for an unspecified system which will require modifications and further testing prior to a production decision and, therefore, denies the Army's $59,391,000 procurement request.

The Committee, however, acknowledges our critical need to meet the evolving air defense requirements of the maneuver force in a timely manner and, therefore, has increased research and development funding and established an advance procurement line for the air defense heavy system in the amount of $5,000,000. The advance procurement funds may not be obligated until the Army has presented Congress a revised acquisition strategy for the selected system and has complied with section 8096 of the bill.

Patriot missile.—The Army requested $851,442,000 to procure 715 Patriot missiles in fiscal year 1988. The House recommended $832,442,000 for Patriot procurement, a reduction of $19,000,000 from the budget request

The Committee recommends a reduction of $19,000,000 based upon a GAO report identifying pricing adjustments on ground support equipment, missile components, and maintenance training equipment that will not be bought until 1989.

Stinger.—The Army requested $154,153,000 to support a procurement of 4,200 Stinger missiles in fiscal year 1988. The House recommended $135,953,000, a reduction of $18,200,000 from the budget request.

The Army has received a multiyear proposal from the prime contractor which is below the Army's 1988 budget estimates. The Committee recommends reducing the 1988 request by $10,000,000 in anticipation of contract savings.

Further, GAO has recommended a reduction of $18,200,000 in fiscal year 1988 due to savings in rocket motor costs, decreased requirements for support equipment, and reduced requirements for contingent liability. The Committee agrees with the GAO finding and reduces the Stinger request.

Pedestal mounted Stinger.—The Army requested $55,833,000 for the second production contract for the pedestal mounted Stinger in fiscal year 1988. The House recommended the full budget request.

The Army has recently awarded the 1987 contract for the first production run of pedestal mounted Stinger. A 1988 option within the 1987 award was negotiated resulting in a $12,200,000 savings in hardware cost over the budgeted amounts. However, the Army claims it has identified unbudgeted requirements for contractor engineering, engineering change orders, Government test requirements, and more costly Government furnished equipment, resulting in the program being underfunded for 1988. The Committee recommends that the Army be held to their original budget request and reduces the hardware savings of $12,200,000 in 1988. If the additional requirements are validated by the Army leadership, the Committee suggests the Army find funds within available resources to accomplish the mission.

The Committee is also concerned with the Army's severe underestimation of the cost of the Stinger vehicle missile launcher [SVML]. The Army recently signed a noncompetitive, sole source contract for 300 percent higher than the budget estimate. This is essentially the same missile launcher used in the air-to-air Stinger mission. The Committee requests the Army report back to the Congress total Army requirements for Stinger launch systems and its plans for competitive procurement of SVML's in future budgets.

AIR-TO-SURFACE MISSILE SYSTEM

Laser Hellfire.—The Army requested $168,358,000 to procure 5,000 laser Hellfire missiles in fiscal year 1988. The House recommended the full budget request.

The Committee is highly concerned over the Army's acquisition profile for this missile system. The Army has brought on a second system producer and, after a skip year in funding because of technical problems, the production program appears to be back on track. However, the Army is budgeting for less missiles than are necessary to keep the two producers operating at efficient production rates. The Committee notes that a rate of at least 6,000 missiles per year is necessary to maintain two production lines operating at efficient rates. The Committee, therefore, recommends an increase of 1,000 missiles and $35,000,000 and further expects the Army to budget for at least 6,000 missiles per year in future budgets.

ANTITANK/ASSAULT MISSILE SYSTEM

TOW II missiles.—The Army requested $131,239,000 to procure 9,416 TOW II missiles in fiscal year 1988. The House recommended $109,039,000 for 9,320 Tow II missiles. This is a reduction of $22,200,000 and 96 missiles from the request.

The Committee notes that the TOW II missiles may be the only antitank missile currently employed by the infantry with a high probability of killing modern Soviet tanks. The Committee also concludes in the R&D section of this report that the follow-on advanced antitank weapon system-heavy [AAWS-H] is not adequately defined, and, therefore, not recommended for full funding.

It is for these reasons the Committee recommends an increase of 2,500 missiles and $28,500,000 to the Army's multiyear budget request. The Committee believes there is a critical shortage of lethal antitank weapons systems available to the ground solider and increasing the availability of TOW II's for training and deployment is a necessary funding alternative until the Army is able to solve this critical problem.

Further, any savings in the TOW II multiyear shall be used only to procure additional missiles for the services.

Multiple launch rocket system.—The Army requested $424,429,000 to procure 72,000 rockets and 24 launchers in fiscal year 1988. The House has recommended $399,429,000, a reduction of $25,000,000 from the budget request.

The Committee recommends a reduction of $8,200,000 in the 1988 request as a result of contract savings on the self-propelled loader launcher. Further, the Committee denies the Army's request to provide for a surge capability for rocket production and, therefore, reduces the advance procurement line by $22,700,000.

The Committee is concerned about the Army's low fielding priority of the MLRS to National Guard artillery units. The Army National Guard represents 50 percent of the artillery firepower of the entire Army and yet the Army's 5-year defense plan [FYDP] does not call for the fielding of additional MLRS systems to the Guard until 1992. The Committee requests the Secretary of the Army to submit a plan for accelerating the program of equipping National Guard corps and divisional artillery battalions with MLRS when he submits the fiscal year 1989 budget request or by March 1, 1988, whichever comes first.

Army tactical missile system.—The Army requested $15,125,000 for a low rate initial production contract for fiscal year 1988. The House recommended $7,325,000, a reduction of $7,800,000 from the budget request.

The current Army plans to transition into production on the new Army tactical missile system [ATACMS] has high concurrency and increased technical risk due to a proposed accelerated schedule. The Army intends to award a low rate initial production contract 9 months prior to the scheduled completion of developmental and operational flight testing. The Committee recommends delaying the initial production contract until testing is completed, which will defer procurement funding requirements until 1989.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
Patriot modifications	40,000	16,300	40,000
Lance modifications	15,338		15,338
Spares	246,600	176,600	246,600
Items less than $2 million	2,140	1,740	2,140

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

1987 appropriation	$3,804,300,000
1988 budget estimate	3,152,537,000
House allowance	3,140,637,000
Committee recommendation	3,231,313,000

The Committee recommends an appropriation of $3,231,313,000. This is an increase of $78,776,000 above the President's budget and $90,676,000 more than the House allowance.

This appropriation provides for the procurement of tanks, armored personnel carriers and combat engineer vehicles. Funds are also included for the acquisition of machine guns, grenade launchers, towed and self-propelled guns and howitzers, laser rangefinders, associated training equipment, modification of in-service equipment, investment spares and repair parts and major components, and production base support.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
MODIFICATION OF MISSILES										
MODIFICATIONS										
PATRIOT	--	40,000	--	40,000	--	16,300	--	40,000	---	+23,700
CHAPARRAL	--	31,228	--	31,228	--	31,228	--	31,228	---	---
HAWK	--	35,671	--	35,671	--	35,671	--	35,671	---	---
TOW	--	18,021	--	18,021	--	18,021	--	18,021	---	---
DRAGON	--	7,258	--	7,258	--	7,258	--	7,258	---	---
LANCE	--	15,338	--	15,338	--	---	--	15,338	---	+15,338
PERSHING	--	9,293	--	9,293	--	9,293	--	9,293	---	---
MLRS	--	4,506	--	4,506	--	4,506	--	4,506	---	---
TOTAL, MODIFICATION OF MISSILES		161,315		161,315		122,277		161,315	---	+39,038
SPARES AND REPAIR PARTS	--	246,600	--	246,600	--	176,600	--	246,600	---	+70,000
SUPPORT EQUIPMENT AND FACILITIES										
AIR DEFENSE TARGETS	--	21,363	--	21,363	--	21,363	--	21,363	---	---
ITEMS LESS THAN $2.0M (MISSILES)	--	2,140	--	2,140	--	1,740	--	2,140	---	+400
PRODUCTION BASE SUPPORT	--	11,574	--	11,574	--	11,574	--	11,574	---	---
CLASSIFIED PROGRAMS	--	6,710	--	6,710	--	6,710	--	6,710	---	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		41,787		41,787		41,387		41,787	---	+400

INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
TOTAL, MISSILE PROCUREMENT, ARMY		2,458,466		2,425,875		2,263,628		2,358,150	-100,316	+94,522
TRANSFER FROM OTHER ACCOUNTS		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE		2,458,466		2,425,875		2,263,628		2,358,150	-100,316	+94,522

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
PROCUREMENT OF W&TCV,ARMY										
TRACKED COMBAT VEHICLES										
CARRIER, COMMAND POST LIGHT, FT, M577A2................	--	---	--	---	--	---	--	---	---	---
BRADLEY FIGHTING VEHICLES (MYP)........................	616	699,400	616	699,400	586	684,400	586	681,000	-18,400	-3,400
BRADLEY FIGHTING VEHICLES (MYP) (AP-CY)................	--	37,100	--	47,100	--	35,500	--	35,500	-1,600	---
BRADLEY FVS TRAINING DEVICES...........................	--	---	--	---	--	---	--	---	---	---
BRADLEY FVS TRAINING DEVICES (MOD).....................	--	5,900	--	5,900	--	5,900	--	5,900	---	---
FIELD ARTILLERY AMMUNITION SUPPORT VEH.................	65	28,700	65	28,700	144	68,400	65	28,700	---	-39,700
RECOVERY VEHICLE, MED, FT, M88A1 (AP-CY)...............	--	24,100	--	24,100	--	24,100	--	24,100	---	---
ABRAMS TANK SERIES ROLL (MYP)..........................	600	1,354,700	720	1,607,600	600	1,354,700	660	1,451,150	+96,450	+96,450
ABRAMS TANK SERIES ROLL (MYP) (AP-CY)..................	--	156,000	--	166,000	--	166,000	--	156,000	---	-10,000
M60 SERIES TANK TRAINING DEVICES.......................	--	---	--	---	--	---	--	---	---	---
M1 SERIES TANK TRAINING DEVICES........................	--	4,700	--	4,700	--	4,700	--	4,700	---	---
MODIFICATION OF TRACKED COMBAT VEHICLES										
CARRIER,MOD..	--	42,600	--	42,600	--	36,300	--	42,600	---	+6,300
FIST VEHICLE (MOD).....................................	--	---	--	---	--	---	--	---	---	---
BFVS SERIES (MOD)......................................	--	52,100	--	52,100	--	45,100	--	52,100	---	+7,000
HOWITZER, MED SP FT 155MM M109 SER(MOD)................	--	28,200	--	42,200	--	1,374	--	---	-28,200	-1,374
HOWITZER, MED SP FT 155MM M109 SER(MOD) (AP-CY)........	--	---	--	---	--	12,726	--	12,726	+12,726	---
TANK, COMBAT, FT, 105MM, GUN, M60SER (MOD)(MYP)........	--	23,300	--	23,300	--	23,300	--	108,300	+85,000	+85,000
TANK, M1 SERIES (MOD)..................................	--	37,500	--	37,500	--	30,200	--	34,100	-3,400	+3,900
9WW..	--	700	--	700	--	700	--	700	---	---
MOB TNG BASE EQUIP.....................................	--	---	--	---	--	---	--	---	---	---
HOST NATION SUPPORT....................................	--	29,700	--	29,700	--	29,700	--	29,700	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
SUPPORT EQUIPMENT AND FACILITIES										
SPARES AND REPAIR PARTS................................	--	398,400	--	418,400	--	418,400	--	371,700	-26,700	-46,700
ITEMS LESS THAN $2.0M (TCV-WTCV)......................	--	1,900	--	1,900	--	1,900	--	1,900	---	---
PRODUCTION BASE SUPPORT (TCV-WTCV)....................	--	28,731	--	28,731	--	28,731	--	28,731	---	---
REGIONAL MAINTENANCE TRAINING SITES-EQUIP.............	--	17,100	--	17,100	--	17,100	--	17,100	---	---
TOTAL, TRACKED COMBAT VEHICLES........................		2,970,831		3,277,731		2,989,231		3,086,707	+115,876	+97,476
WEAPONS AND OTHER COMBAT VEHICLES										
HOWITZER, LIGHT, TOWED, 105MM, M119...................	113	29,900	113	29,900	113	37,700	113	29,900	---	-7,800
MACHINE GUN, 7.62MM, M60..............................	--	---	--	---	--	---	--	---	---	---
SQUAD AUTOMATIC WEAPON (SAW) 5.56MM...................	5,400	12,100	5,400	12,100	5,400	12,100	5,400	12,100	---	---
GRENADE LAUNCHER, AUTO, 40MM, MK19-3..................	1,408	13,800	1,408	13,800	--	---	--	1,000	-12,800	+1,000
LAUNCHER, SMOKE GRENADE...............................	3,628	1,900	3,628	1,900	3,628	1,900	3,628	1,900	---	---
MORTAR, 81MM, M252....................................	--	---	--	---	--	---	--	---	---	---
MORTAR 120MM..	332	20,900	--	---	--	---	--	---	-20,900	---
M16 RIFLE...	60,000	26,100	60,000	26,100	60,000	26,100	60,000	26,100	---	---
SNIPER WEAPON SYSTEM..................................	500	1,900	500	1,900	500	1,900	500	1,900	---	---
PERSONAL DEFENSE WEAPON, 9MM..........................	23,418	5,300	23,418	5,300	23,418	5,300	23,418	5,300	---	---
9MM HANDGUN COMPETITION...............................	--	---	--	---	--	---	--	---	---	---
VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP)...............	947	25,800	947	22,400	947	22,400	947	22,400	-3,400	---
VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP) (AP-CY).......	--	2,100	--	2,100	--	2,100	--	2,100	---	---
MODIFICATION OF WEAPONS AND OTHER COMBA										
M16A1 RIFLE MODS......................................	--	5,400	--	5,400	--	5,400	--	5,400	---	---
MODIFICATIONS UNDER $2.0M (WOCV-WTCV).................	--	4,500	--	4,500	--	4,500	--	4,500	---	---

COMMITTEE RECOMMENDED ADJUSTMENTS

TRACKED COMBAT VEHICLES

Bradley fighting vehicle.—The budget request contains $699,400,000 for 616 Bradley fighting vehicles in fiscal year 1988 and $37,100,000 for advance procurement to support procurement in fiscal year 1989 and beyond. The House recommended $684,400,000 in procurement and $35,500,000 in advance procurement, a reduction of $15,000,000 and $1,600,000 respectively.

An Army reestimate of the number of vehicles supportable by the requested dollars has reduced the program to 586 vehicles. This quantity reduction is dictated by an increase in production line overhead allocation due to no M-113 armored personnel carrier production request in fiscal year 1988 and cost overruns on TOW-2 sight subsystem as a result of poor performance by the contractor.

A GAO review of the documentation supporting the acquisition of 586 vehicles identified $18,400,000 in the fiscal year 1988 program, and $1,600,000 in advance procurement excess to the Army's requirements. The Committee recommends the reduction of these excess funds.

M-88 series recovery vehicle.—The Army requested $24,100,000 in advance procurement funds to purchase long-lead items for the follow-on M-88 series recovery vehicle, the M-88A2. The House has approved the Army's full budget request.

The Committee believes the modifications to the M-88A1 planned by the Army are substantial enough to question the Army's justification of a sole source Product Improvement Program [PIP] as the best acquisition strategy for a follow-on tank recovery vehicle. The Committee is also concerned with the potential weight growth of the M-1A1 series tank to 70 tons or greater and the effect this would have on the selection of a new recovery vehicle. The Army's current plans are to test the M-88A2's capabilities to 67 tons, short of the potential weight growth of the M-1A1. The Committee requests the Army: (1) to certify to the Congress the maximum weight growth of the M-1A1 series tank and, (2) test all follow-on recovery vehicle candidate systems at that maximum weight.

As outlined in the research and develpment, Army section of this report, the Committee expects the Army to conduct comparative developmental and operational tests between two candidate armored recovery vehicles, the M-88A2 and the RV-90 before the Army commits to production of any particular tank recovery vehicle under a sole source contract. The Committee has added bill language which prevents the obligation of advance procurement funds by the Army for any follow-on recovery vehicle until the tests and analysis are complete and the results reported to Congress. Further, the Director, Operational Test and Evaluation of the Department of Defense must also certify to the Committees that the system to be selected by the Army is the more cost effective in meeting the Army's recovery vehicle's requirements.

M-1 tank.—In its fiscal year 1988 budget, the Army requested $1,354,700,000 for 600 tanks and $156,000,000 for advanced procurement for fiscal year 1989 and beyond. The House has recommended $1,354,700,000 for the 600 tanks, $166,000,000 in advanced procurement, and directed the Army to apply contract savings toward building additional tanks over the budget request.

The Committee recommends $1,451,150,000 for the procurement of 660 tanks. This is an increase of 60 tanks and $96,450.000 over the Army's budget request. Further, the Committee recommends the budget request of $156,000,000 for advance procurement, $10,000,000 below the House allowance.

MODIFICATION OF TRACKED COMBAT VEHICLES

Howitzer Improvement Program [HIP].—The Army requested $28,200,000 for modifications of the M–109, 155 mm self-propelled Howitzer. This modification is also known as the Howitzer Improvement Program or HIP. The House recommended a transfer of $12,726,000 to establish a new advance procurement line for the HIP Program.

Since the submission of the President's budget, the acquisition program for HIP has been considerably restructured by the Army. The Army has recently informed the Committee that the current funding requirement for the HIP Program is $12,726,000 in an advance procurement line to buy long lead items.

The Committee has reviewed the restructured program and agrees with the Army's new direction and, therefore, denies the $28,200,000 procurement request and establishes an advance procurement line in the amount of $12,726,000.

Tank, M–60 series mod.—The Army requested $23,300,000 in fiscal year 1988 to support continued survivability product improvements for the M–60A3 series tank. The House recommended the full budget request.

The Army's budget submitted to the Office of the Secretary of Defense [OSD] included a request for $110,000,000 for the M–60A3 tank modification program. This program allows for procurement of survivability product improvements to support the 5,400 M–60A3 tank fleet and 291 M–728 combat engineering vehicles. The product improvements include items such as applique armor, tank thermal sight optical performance enhancement and laser protection, and auto fire extinguisher system.

Within the OSD budget review the Army was directed to reduce its M–60A3 modification program to $23,300,000 due to overall budget constraints.

The Committee notes that the M–60A3 tank is the backbone of the Army National Guard's armored forces. Further, the National Guard will contribute almost one-half of the Army's armored forces if the United States goes to war. Because of budget constraints, the Army National Guard will be equipped with the M–60A3 tank well into the 21st century and will be fully equipped with the highly survivable M–1 tank only when the Active Army transitions into their next generation tank.

The Committee is very concerned the Defense Department has again failed to fund a critical improvement to Army Guard equipment. The Committee, therefore, recommends an increase to the Army's M-60A3 modification program in the amount of $85,000,000 and suggest the DOD fully fund this program in future budgets.

Tank, M-1 series (mod).—The Army requested $37,500,000 in fiscal year 1988 for the M-1 series tank modification program. The House recommended $30,200,000, a reduction of $7,300,000 from the budget request.

Army officials could not justify the budget estimate of $3,400,000 in fiscal year 1988 for the M-1 Tank Engine Diagnostic Module Program. No contract award is anticipated in this fiscal year.

SUPPORT EQUIPMENT AND FACILITIES

Spares and repair parts.—The Army requested $398,400,000 for weapons and tracked combat vehicles spares and repair parts. The House recommended $418,400,000, an increase of $24,000,000 to the Army's budget request.

The Army's tank automotive command [TACOM] has revised its budget requirements for spares and repair parts for fiscal year 1988. They have informed the Army staff of a fiscal year 1988 excess of $26,700,000. The Committee recommends a reduction of these excess funds.

9 mm handgun.—The Committee concurs in the report language of the House Committee dealing with the 9 mm handgun and expects the Army to complete the competition expeditiously.

WEAPONS AND OTHER COMBAT VEHICLES

Grenade launcher MK-19.—The Army requested $13,800,000 for the procurement of 1,408 MK-19/3 automatic grenade launchers in fiscal year 1988. The House has denied the full budget request.

The MK-19 grenade launcher program has had serious production problems since fiscal year 1983. The fiscal year 1986 and 1987 funds have yet to be obligated due to continued production delays. The Navy, the current program manager, plans to turn the program over to the Army in fiscal year 1988.

The Committee denies all but $1,000,000 of the fiscal year 1988 request and encourages the Army to accept control of the program as soon as possible using the balance of fiscal year 1988 and available prior-year funds to establish a program office and initiate the restructured program.

120 mm mortar.—The Army requested $20,900,000 for the procurement of 332 120-mm mortars. The House has denied the full budget request.

Testing delays have resulted in the Army postponing selection and award of a 120-mm mortar contract. The Army has informed the Committee that no production funds will be needed until the second quarter of fiscal year 1989.

The Committee recommends denial of the fiscal year 1988 request of $20,900,000 and rescission of $17,500,000 of available prior-year production funds.

Bushmaster.—The Army requested $25,800,000 for the procurement of 947 Bushmaster guns. The House recommended $22,400,000, a $3,400,000 reduction from the budget request.

The GAO has reported expected savings within the fiscal year 1988 budget request as a result of contract negotiations. The Committee recommends a reduction of $3,400,000 from the Army's request.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
Field artillery ammunition vehicle	28,700	68,400	28,700
Carrier modifications	42,600	36,300	42,600
Bradley modifications	52,100	45,100	52,100
Howitzer, 105 mm M-119	29,900	37,700	29,900

PROCUREMENT OF AMMUNITION, ARMY

1987 appropriation	$2,087,150,000
1988 budget estimate	2,194,275,000
House allowance	1,978,413,000
Committee recommendation	2,211,723,000

The Committee recommends an appropriation of $2,211,723,000 for ammunition, including $503,542,000 for production base support. This is an increase of $17,448,000 above the President's request and $223,310,000 more than the House allowance.

This appropriation provides for the procurement of all Army ammunition except missiles. Funds are also included for industrial facilities required for the production of ammunition components and end items, the modernization of Army ammunition facilities (including construction), and the layaway of Government-owned plants and equipment where it has been established that such facilities will be required in the event of mobilization.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

SUPPORT EQUIPMENT AND FACILITIES										
SPARES AND REPAIR PARTS................................	--	12,000	--	12,000	--	12,000	--	12,000	---	---
ITEMS LESS THAN $2.0M (WOCV-WTCV).....................	--	3,300	--	3,300	--	3,300	--	3,300	---	---
PRODUCTION BASE SUPPORT (WOCV-WTCV)..................	--	16,706	--	16,706	--	16,706	--	16,706	---	---
TOTAL, WEAPONS AND OTHER COMBAT VEHICLES............		181,706		157,406		151,406		144,606	-37,100	-6,800
INFLATION SAVINGS, FY87................................	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE...................................	--	---	--	---	--	---	--	---	---	---
TOTAL, PROCUREMENT OF W&TCV,ARMY....................		3,152,537		3,435,137		3,140,637		3,231,313	+78,776	+90,676
TRANSFER FROM OTHER ACCOUNTS..................		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE.......................		3,152,537		3,435,137		3,140,637		3,231,313	+78,776	+90,676

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
PROCUREMENT OF AMMUNITION, ARMY										
AMMUNITION										
ATOMIC MATERIEL										
NUCLEAR WEAPONS SUPPORT MATERIEL	--	2,366	--	2,366	--	4,266	--	2,366	---	-1,900
PROJ, NUCLEAR, 155MM	--	---	--	---	--	---	--	---	---	---
CONTROLLED ITEMS										
CTG, 5.56MM, BALL M193	58,208	8,181	58,208	8,181	58,208	8,181	58,208	8,181	---	---
CTG, 5.56MM, TRACER	--	---	6,000	2,200	6,000	2,200	--	---	--	-2,200
CTG, 5.56MM, TRACER CLIP	4,589	1,182	4,589	1,182	4,589	1,182	4,589	1,182	---	---
CTG, 5.56MM, BLANK M200	169,801	16,263	155,915	16,263	155,915	16,263	169,801	16,263	---	---
CTG, 5.56MM, BLK M200, LKD F/SAW	30,212	5,914	30,212	5,914	30,212	5,914	30,212	5,914	---	---
CTG, 5.56MM, 4 BALL M855/1 TRCR M856 LKD	--	---	--	---	--	---	--	---	---	---
CTG, 5.56MM, BALL M16-A2	37,926	8,082	37,490	8,082	36,490	8,082	37,926	8,082	---	---
CTG, 5.56MM, PLASTIC M862	8,000	2,661	8,000	2,661	8,000	2,661	8,000	2,661	---	---
CTG, 5.56MM, TRACER M16-A2	19,821	4,929	19,821	4,929	19,821	4,929	19,821	4,929	---	---
CTG, 7.62MM, 4 BALL M80/1 TRCR M62 LKD	53,343	14,291	53,343	14,291	53,343	14,291	53,343	14,291	---	---
CTG, 7.62MM, BALL M80 LKD/M13	--	---	--	---	--	---	--	---	---	---
CTG, 7.62MM, LKD 4 BALL ITRACER OHF	--	---	--	---	--	---	--	---	---	---
CTG, 7.62MM, BLANK M82 LKD/M13	57,922	13,010	57,922	13,010	57,922	13,010	57,922	13,010	---	---
CTG, CAL .45, BALL M1911	11,391	1,281	11,391	1,281	--	---	11,391	1,281	---	+1,281
CTG, CAL .50, PLASTIC LKD 4 BALL/1 TRACER	1,810	2,267	1,810	2,267	1,810	2,267	1,810	2,267	---	---
CTG, CAL .50, LKD 4 BALL/1 TRCR W/M15A2LK	--	---	--	---	--	---	--	---	---	---
CTG, CAL .50, APIT, M20 LKD	--	---	--	---	--	---	--	---	---	---
CTG, CAL .50, BALL LKD	--	---	--	---	--	---	--	---	---	---
CTG, CAL .50, LKD 4 BALL/1 TRACER W/M9 LK	--	---	--	---	--	---	--	---	---	---

NATIONAL BOARD FOR RIFLE PRACTICE......................	--	---	--	---	--	---	--	---	---	---
CTG, 20MM, LKD TP-T M220 SERIES MLB M14A2.............	3,497	12,616	3,497	12,616	3,497	12,616	3,497	12,616	---	---
CTG, 20MM, LKD 4 TP M55A2/1TP-T M220..................	1,324	4,041	1,324	4,041	1,324	4,041	1,324	4,041	---	---
CTG, 25MM, HEI-T M792 W/F.............................	296	6,899	755	17,599	--	---	--	---	-6,899	---
CTG, 25MM, TPT LKD M793 MLB M28.......................	1,070	11,039	1,070	11,039	1,070	11,039	1,070	11,039	---	---
CTG, 25MM, AP TRAINING RD.............................	--	---	556	15,000	556	15,000	--	---	---	-15,000
CTG, 30MM, LKD TP M788................................	--	---	--	---	--	---	--	---	---	---
CTG, 40MM, HEDP M430..................................	948	9,856	508	4,856	508	4,856	508	4,856	-5,000	---
CTG, 40MM, TP F/MK19..................................	2,375	28,485	2,375	28,485	2,375	28,485	2,375	28,485	---	---
CTG, 40MM, GREEN STAR PARACHUTE.......................	123	2,267	123	2,267	123	2,267	123	2,267	---	---
CTG, 40MM, PRAC M781..................................	1,807	3,154	1,807	3,154	1,807	3,154	1,807	3,154	---	---
CTG, 40MM, RED SMOKE MARKER...........................	--	---	--	---	--	---	--	---	---	---
CTG, 40MM, GREEN SMOKE MARKER.........................	--	---	--	---	--	---	--	---	---	---
CTG, 40MM, YELLOW SMOKE MARKER........................	--	---	--	---	--	---	--	---	---	---
CTG, 40MM, WHITE STAR CLUSTER M585 F/LCHR M7..........	277	6,505	277	6,505	277	6,505	277	6,505	---	---
CTG, 40MM, RED STAR, PARACHUTE........................	88	1,675	88	1,675	88	1,675	88	1,675	---	---
CTG, 40MM, CS M651....................................	142	2,563	142	2,563	142	2,563	142	2,563	---	---
CTG, 60MM, ILLUM LWCMS XM721..........................	48	7,787	48	7,787	48	7,787	48	7,787	---	---
CTG, 60MM, SMK WPLWCMS XM722..........................	48	4,533	48	4,533	48	4,533	48	4,533	---	---
CTG, 60MM, HE M720W/M734 MOF..........................	266	26,809	304	36,409	304	26,809	266	26,809	---	---
CTG, 81MM, ILLUM XM853................................	--	---	--	---	--	---	--	---	---	---
CTG, 81MM, HE, M821 W/FUZE M734 MO....................	912	60,222	274	60,222	274	60,222	912	60,222	---	---
CTG, 81MM, SMOKE, RP, XM819...........................	--	---	--	---	--	---	--	---	---	---
CTG, 81MM, 1/10 RNG, PRAC,M880........................	34	4,830	34	4,830	34	4,830	34	4,830	---	---
CTG, 4.2-INCH, HE M329A2 W/O FUZE.....................	229	19,712	315	33,412	315	33,412	229	19,712	---	-13,700
CTG, 120MM, HE, XM933, W/FUZE M734 MO.................	34	12,222	--	---	--	---	--	---	-12,222	---
CTG, 120MM, HE W/PD FUZE..............................	14	4,435	--	---	14	4,435	--	---	-4,435	-4,435
CTG, 120MM, ILLUM, XM930..............................	39	19,023	--	---	--	---	--	---	-19,023	---
CTG, 120MM, SMOKE, XM929..............................	20	9,856	--	---	--	---	--	---	-9,856	---
CTG, 120MM, TNG 1/10..................................	16	2,070	--	---	16	2,070	--	---	-2,070	-2,070
CTG, 105MM, BLANK M395................................	86	3,154	127	3,154	127	3,154	86	3,154	---	---
CTG, 105MM, ILLUM, F/105, M314........................	85	18,530	85	18,530	85	18,530	85	18,530	---	---
CTG, 105MM, TP-T, M490................................	37	4,928	41	4,928	--	---	37	4,928	---	+4,928
CTG, 105MM, DS-TP M724................................	235	37,848	241	37,848	161	25,448	161	25,448	-12,400	---
CTG, 105MM, APFSDS-T M833.............................	66	32,526	51	32,526	51	32,526	66	32,526	---	---
CTG, 120MM, APFSDS-T M829.............................	69	77,273	79	77,273	79	77,273	69	77,273	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
CTG, 120MM, HEAT-MP-T,M830 (MYP)	32	53,026	31	53,026	31	53,026	32	53,026	---	---
CTG, 120MM, TP-T M831 (MYP)	70	63,573	68	63,573	68	63,573	70	63,573	---	---
CTG, 120MM, TPCSDS-T, M865 (MYP)	140	83,680	114	83,680	114	83,680	140	83,680	---	---
CTG, SUBCAL 35MM, F/TANK	40	1,971	40	1,971	40	1,971	40	1,971	---	---
PROJ, 155MM, HE,ICM M483	227	98,735	235	112,035	235	98,735	227	98,735	---	---
PROVE-OUT M483	--	---	--	---	--	5,600	--	---	---	-5,600
PROJ, 155MM, ILLUM M485	180	43,565	190	43,565	190	43,565	180	43,565	---	---
PROJ, 155MM, SMK, WP, M825	90	34,004	90	34,004	60	23,404	60	23,404	-10,600	---
PROJ, 155MM, HE, ADAM M731	10	45,438	11	45,438	7	29,700	--	---	-45,438	-29,700
PROJ, 155MM, HE, RAAMS M718	24	31,653	17	31,653	9	16,000	6	9,170	-22,483	-6,830
PROJ, 155MM, HE, RAAMS M741	--	---	--	---	--	---	--	---	---	---
PROJ, 155MM, BASEBLEED, XM864	104	70,125	104	70,125	44	30,000	60	40,125	-30,000	+10,125
PROJ, 155MM, HE, COPPERHEAD (EA)	2,771	100,560	2,771	128,460	3,271	117,860	2,771	100,560	---	-17,300
PROJ, 155MM CHEM GB-2	--	59,335	--	59,335	--	59,335	--	59,335	---	---
PROJ, 155MM, TRAINING, M804	101	14,489	101	14,489	101	14,489	101	14,489	---	---
CHARGE, PROPELLING, M155MM, GREEN BAG M3	--	---	--	---	200	8,600	--	---	---	-8,600
CHARGE, PROPELLING, M155MM, RED BAG M203	299	108,911	242	108,911	242	108,911	299	108,911	---	---
CHARGE, PROPELLING, M155MM, RED BAG M119	199	19,713	399	39,413	399	39,413	199	19,713	---	-19,700
PROJ, 8-INCH, HE, ICM (DP), M509	--	---	--	---	--	---	--	---	---	---
PROJ, 8-INCH, HE, RAP, M650	39	42,382	43	42,382	43	42,382	39	42,382	---	---
FUZE, PROXIMITY, M732	194	24,246	--	---	--	---	--	---	-24,246	---
FUZE, PD M739/M739A1	--	---	580	9,700	580	9,700	--	---	---	-9,700
FUZE, MTSQ M577/M577A1	759	43,171	755	43,171	755	43,171	759	43,171	---	---
FUZE, MTSQ M582/M582A1	196	11,729	196	11,729	196	11,729	196	11,729	---	---
PRIMER, PERC, M82	1,506	2,562	1,506	2,562	1,506	2,562	1,506	2,562	---	---
TRAINING DEVICE, MINE SYSTEM	--	5,026	--	5,026	--	5,026	--	5,026	---	---
GROUND IMP MINE SCAT SYS AP M74(MYP)	19	6,505	19	6,505	--	---	--	---	-6,505	---
GROUND IMP MINE SCAT SYS AT M75(MYP)	27	5,323	212	42,523	212	42,523	27	5,323	---	-37,200

CANISTER MINE PRACTICE XM88 (VOLCANO)..................	5	1,577	5	1,577	2	577	2	577	-1,000	---
CANISTER MINE (VOLCANO) XM87...........................	19	34,497	23	34,497	11	18,697	11	18,697	-15,800	---
MTR RKT 5 IN MK22 MOD4.................................	3,511	13,700	4,592	17,700	1,221	5,000	1,221	5,000	-8,700	---
LINE CHARGE M58A3 (MICLIC).............................	2,810	29,273	2,810	29,273	1,970	20,573	1,970	20,573	-8,700	---
MODULAR PACK MINE SYSTEM...............................	6,000	62,489	6,498	62,489	5,382	51,849	5,382	51,849	-10,640	---
PURSUIT DETERRENT MUNITION.............................	53	12,123	53	12,123	53	12,123	53	12,123	---	---
DEMOLITION MUNITIONS & OTHER...........................	--	28,485	--	28,185	--	22,374	--	28,485	---	+6,111
CTG, 105MM HERA XM913..................................	15	7,885	--	---	--	---	--	---	-7,885	---
LIGHTWEIGHT MULTI-PURPOSE WEAPON.......................	87	66,136	74	60,136	79	60,136	79	60,136	-6,000	---
LIGHT WGT MULTI PURPOSE SYSTEM TRNR....................	1,007	3,154	1,007	3,154	--	---	--	---	-3,154	---
HYDRA 70 RKT, HE/RS (M151/M433)........................	16	7,786	16	7,786	16	7,786	16	7,786	---	---
HYDRA 70 RKT, ILLUM M257 WHD...........................	--	---	--	---	--	---	--	---	---	---
HYDRA 70 RKT, SMOKE, XM264.............................	13	7,096	13	7,096	--	---	--	---	-7,096	---
HYDRA 70 RKT, MPSM PRAC M267 WHD.......................	24	14,095	24	14,095	24	14,095	24	14,095	---	---
HYDRA 70 RKT, HE/PD (M151/M423/MK66)...................	21	6,899	21	6,899	21	6,899	21	6,899	---	---
HYDRA 70 SMOKE...	--	---	--	---	--	---	--	---	---	---
HYDRA 70 ROCKET XM274 SIG PRACTICE.....................	128	38,243	128	38,243	77	23,943	128	38,243	---	+14,300
GRENADE, HAND, ALL TYPES...............................	--	1,675	--	1,675	--	1,675	--	1,675	---	---
GREN SMK SCREENING RP L8A1/L8A3........................	--	---	--	---	--	---	--	---	---	---
GRENADE, SMOKE SCREENING IR M76........................	216	11,138	216	11,138	170	8,738	170	8,738	-2,400	---
SIGNALS, ALL TYPES.....................................	--	15,967	--	15,967	--	15,967	--	15,967	---	---
SIMULATORS, ALL TYPES..................................	--	6,406	--	6,406	--	6,406	--	6,406	---	---
MISCELLANEOUS										
AMMO COMPONENTS/SUPPORT, ALL TYPES.....................	--	21,684	--	21,684	--	21,684	--	21,684	---	---
CAD/PAD..	--	4,731	--	4,731	--	4,731	--	4,731	---	---
ITEMS LESS THAN $2.0M (MISC-AMMO)......................	--	7,295	--	7,295	--	7,295	--	7,295	---	---
SPARES AND REPAIR PARTS................................	--	986	--	986	--	986	--	986	---	---
AMMUNITION PECULIAR EQUIPMENT..........................	--	8,870	--	8,870	--	8,870	--	8,870	---	---
NITROGUANIDINE (LB)....................................	--	12,814	--	12,814	--	12,814	--	12,814	---	---
WAR RESERVE STOCKPILING(EXPL/PROPELLANTS)..............	--	35,000	--	---	--	---	--	---	-35,000	---
RDX/HMX..	--	---	--	146,700	--	---	--	---	---	---
AMMU 9MM/ELT...	--	2,858	--	2,858	--	2,858	--	2,858	---	---

AUTHORIZATION CHANGES

The Committee recommends the following reductions in accordance with Senate authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
40 mm HEDP M430	9,856	4,856	-5,000
AT-4	66,136	60,136	-6,000
M-732 fuze	24,246		-24,246
War reserve stockpile	35,000		-35,000

COMMITTEE RECOMMENDED ADJUSTMENTS

The following reductions are based on recommendations from the General Accounting Office [GAO] review of DOD munitions programs. GAO recently published report NSIAD-88-29, which explains in detail the specific dealys in production and type classification associated with these reductions. Some reductions have been made where the requested program would result in inventories exceeding the stated Army requirement for these items.

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
M-74 mine	6,505		-6,505
Volcano canister mine	34,497	18,697	-15,800
Volcano practice mine	1,577	577	-1,000
5-inch rocket motor	13,700	5,000	-8,700
M-58A3 line charge	29,273	20,573	-8,700
Modular mine pack	62,489	51,849	-10,640
XM-913 105 mm	7,885		-7,885
XM-264 hydra 70 rocket	7,096		-7,096
M-76 grenade smoke	11,138	8,738	-2,400
AT-4 trainer	3,154		-3,154

25 mm HEI-T M-792 cartridges.—The Committee denies the request of $6,899,000. Problems in the development of the fuze have delayed production of the fiscal year 1986 and 1987 appropriated programs.

120 mm mortar.—The Committee defers all acquisition of 120 mm mortar ammunition. Delays in selection and procurement of the new 120 mm mortar eliminates the requirement for these rounds.

105 mm DS-TP M-724 cartridge.—The Committee allows only $25,448,000 of the request for $37,848,000. The Committee reduction limits procurement to the stated Army inventory requirement.

155 mm smoke M-825 projectile.—The Committee recommends a reduction of $10,600,000 in the request of $34,004,000. Changes in the production specification and testing failures have reduced the requirement for additional funding for this program.

155 mm ADAM projectile.—The Committee denies the request of $45,438,000. Program test failures have delayed obligation of prior-year appropriations. No additional funds are required to sustain production through fiscal year 1988.

155 mm basebleed.—The Committee recommends $40,125,000 to support production of this round at the Louisiana Army Ammunition Plant. No additional production funds are required in fiscal year 1988 due to the late award of prior-year appropriations for initial facilities development of the Scranton AAP.

155 mm RAAMS.—The Committee recommends a reduction of $22,483,000 in the request of $31,653,000. This reduction recognizes an excessive procurement lead time for this item and insures uninterrupted production through fiscal year 1988.

Demolition munitions.—The Committee supports the initial procurement of the new tactical explosive system [TEXS] included in this request. In correspondence with the Committee, the Army has committed to a competition to determine the best technical and most cost-effective technology for this system. The Committee strongly supports this acquisition strategy. The Army should report the results of the completed competition to the Committee prior to the award of any procurement contract for TEXS.

PRODUCTION BASE SUPPORT

Ammunition production base policy.—The Committee shares the concerns identified by the House Appropriations Committee report as regards the future of the national munitions production base. The Committee joins in urging the Department of Defense to better define existing and future plans in this critical area.

The Army is faced with the dilemma of apportioning a limited level of ammunition production across a production base exceeding peacetime requirements. The Army should maintain the existing active production base to the greatest extent possible before changing the activation status of any facility. In conjunction with the issue of maintaining the existing domestic production base, the Committee requests the Army to report to the House and Senate Committees on Appropriations the total level of offshore procurement of ammunition for fiscal years 1986 and 1987. Procurements should be identified as type of ammunition, source country, and total cost. This report should be provided to the Committees no later than June 1, 1988.

RDX facility.—The Committee provides $335,000,000 for the construction and development of an RDX production facility at the Louisiana Army Ammunition Plant. This project responds to a critical shortfall in the Army's mobilization base requirement. The Committee has fully funded the RDX facility to avoid straining the Army ammunition budget in future years. This additional funding should not be considered a permanent increase to the Army's ammunition procurement budget baseline.

ITEMS OF SPECIAL INTEREST

Mechanical time fuzes.—The Committee recognizes the criticality of the Army's M–577A1 and M–582A1 mechanical time fuzes for artillery and the importance of maintaining a strong mobilization base for these items. The Committee believes the Army should maintain at least two active domestic producers of these fuzes in fiscal year 1988. To this end, the Army shall ensure that sufficient fuzes are procured in fiscal year 1988 to enable two domestic producers to operate at economic production rates.

Small caliber ammunition.—The Committee endores the Army's initiatives to lower the cost and weight of small caliber blank and service ammunition through the use of alternate materials. The Army is encouraged to continue and accelerate these cost and weight saving initiatives in fiscal year 1988.

Inactive facility maintenance.—From within the funds allowed for the provision of industrial facilities, $8,850,000 will be available only for maintenance and equipment preservation at the Badger Army ammunition plant. These upkeep projects will insure the availability and readiness of this mobilization resource in case of increased production requirements.

Eau Claire Ordnance Works No. 2.—The Committee agrees with the direction of the House report that up to $5,000,000 of funds appropriated for this account may be used for the Army's share of an environmental restoration project at the Eau Claire Ordnance Works. The Army should report to the Committee the agreement reached with the current owner of this facility establishing the total cost of the restoration effort and the apportionment of expenses between the Army and the current owner.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House allowance	Committee recommendation
105 mm TP–T	4,928		4,928
Hydra–70 SM274	38,243	23,943	38,243
Provision of industrial facilities	132,961	105,361	132,961
Prove-out components	16,164	8,264	16,164

OTHER PROCUREMENT, ARMY

1987 appropriation	$5,118,752,000
1988 budget estimate	5,870,860,000
House allowance	5,133,387,000
Committee recommendation	4,890,326,000

The Committee recommends an appropriation of $4,890,326,v000, a decrease of $980,534,000 below the President's budget and $243,061,000 less than the House allowance.

This appropriation finances the acquisition of: (*a*) tactical and commercial vehicles including trucks, semitrailers, and trailers of all types to provide mobility to field forces and the Army logistical system; (*b*) communications and electronics equipment of all types to provide fixed, semifixed, and mobile strategic and tactical communications equipment; (*c*) other support equipment such as chemical defensive equipment, tactical bridging, maintenance shop sets, construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities, funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

GENERAL INCREASE, AMMUNITION	--	---	--	---	--	---	--	---	---	---
CLASSIFIED PROGRAMS	--	77,864	--	77,864	--	77,864	--	77,864	---	---
TOTAL, AMMUNITION		2,025,733		2,209,396		1,845,371		1,708,181	-317,552	-137,190
AMMUNITION PRODUCTION BASE SUPPORT										
PRODUCTION BASE SUPPORT										
PROVISION OF INDUSTRIAL FACILITIES	--	132,961	--	152,961	--	105,361	--	132,961	---	+27,600
COMPONENTS FOR PROVE-OUT	--	16,164	--	16,164	--	8,264	--	16,164	---	+7,900
LAYAWAY OF INDUSTRIAL FACILITIES	--	19,417	--	19,417	--	19,417	--	19,417	---	---
JEFFERSON PROVING GROUND MODERNIZATION	--	---	--	---	--	---	--	---	---	---
MODERNIZATION PROJECTS	--	---	--	---	--	---	--	---	---	---
GENERAL INCREASE, PRODUCTION BASE	--	---	--	---	--	---	--	---	---	---
RDX FACILITY	--	---	--	---	--	---	--	335,000	+335,000	+335,000
TOTAL, AMMUNITION PRODUCTION BASE SUPPORT		168,542		188,542		133,042		503,542	+335,000	+370,500
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
TOTAL, PROCUREMENT OF AMMUNITION, ARMY		2,194,275		2,397,938		1,978,413		2,211,723	+17,448	+233,310
TRANSFER FROM OTHER ACCOUNTS		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE		2,194,275		2,397,938		1,978,413		2,211,723	+17,448	+233,310

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OTHER PROCUREMENT, ARMY										
TACTICAL AND SUPPORT VEHICLES										
TACTICAL VEHICLES										
CHASSIS TRAILER GEN 2 1/2 TON 2W M200A1................	--	---	--	---	--	---	--	---	---	---
DOLLY SET, TRANS SHELTER, 7 1/2T, M1022................	--	---	--	---	--	---	--	---	---	---
TACTICAL TRAILERS/DOLLY SETS...........................	--	42,399	--	26,399	--	26,399	--	26,399	-16,000	---
MOTORCYCLE, GED, 2W, ROUGH TERRAIN.....................	2,934	7,648	2,934	7,648	2,934	7,648	2,934	7,648	---	---
SEMITRAILER BB/CONT 22 1/2T M871 C/S...................	770	10,296	770	10,296	770	10,296	770	10,296	---	---
SEMITRAILER BB/CONT 34T M872 C/S.......................	--	---	--	---	--	---	--	---	---	---
SEMITRAILER, LOW BED, 40T M870A1 (C/S).................	323	6,766	323	6,766	323	6,766	323	6,766	---	---
SEMITRAILER, LOW BED HET, XM1000.......................	80	7,943	80	7,943	--	---	--	---	-7,943	---
SEMITRAILER, TANK, 5000G...............................	100	6,373	100	6,373	100	6,373	100	6,373	---	---
SEMITRAILER, TANK, 7500G, BULKHAUL.....................	365	10,983	365	10,983	365	10,983	365	10,983	---	---
TRAILER, CARGO 3/4T, 2W, M101A2 W/E....................	--	---	--	---	--	---	--	---	---	---
TRAILER, HEAVY, EXPANDED MOBILITY......................	--	---	--	---	--	---	--	---	---	---
TRAILER TANK WATER 400G 1 1/2T 2W M149A1...............	--	---	--	---	--	---	--	---	---	---
SEMITRAILER VAN SUPPLY 12T,2WHL,M129A2C................	--	---	--	---	--	---	--	---	---	---
HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP)................	3,674	109,333	3,674	109,333	3,674	106,233	3,674	109,333	---	+3,100
SMALL UNIT SUPPORT VEHICLE (SUSV)......................	352	38,046	352	18,046	130	18,046	352	38,046	---	+20,000
TRUCK, 5T, 6X6, ABT (MYP)..............................	4,240	280,360	4,240	280,360	4,240	280,360	4,240	280,360	---	---
TRUCK, 10T, 8X8, ABT (MYP).............................	888	131,297	1,388	239,297	1,388	239,297	888	131,297	---	-108,000
TRUCK, TRACTOR, LINE HAUL, M915A1......................	618	40,693	618	40,693	618	40,693	300	20,700	-19,993	-19,993
TRUCK, TRACTOR, HET, (C/S).............................	76	13,238	76	13,238	--	---	--	---	-13,238	---
MODIFICATION OF IN-SERVICE EQUIPMENT...................	--	1,961	--	1,961	--	1,961	--	1,961	---	---
SHOP EQUIPMENT, AUTO MAINT & REP.......................	144	1,176	144	1,176	144	1,176	144	1,176	---	---
ITEMS LESS THAN $2.0M (TAC VEH)........................	--	1,908	--	1,908	--	1,908	--	1,908	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
NON-TACTICAL VEHICLES										
PASSENGER CARRYING VEHICLES	398	11,570	398	11,570	398	11,570	398	11,570	---	---
GENERAL PURPOSE VEHICLES	660	13,434	660	13,434	660	13,434	660	13,434	---	---
TRUCK, CARGO, PICKUP, 4X2	454	4,021	454	4,021	454	4,021	454	4,021	---	---
TRUCK, CARRYALL	264	3,628	264	3,628	264	3,628	264	3,628	---	---
SPECIAL PURPOSE VEHICLES	158	7,157	158	7,157	158	7,157	158	7,157	---	---
SUPPORT EQUIPMENT AND FACILITIES										
SPARES AND REPAIR PARTS	--	118,565	--	118,565	--	118,565	--	45,200	-73,365	-73,365
PRODUCTION BASE SUPPORT (TAC)	--	1,765	--	1,765	--	1,765	--	1,765	---	---
TOTAL, TACTICAL AND SUPPORT VEHICLES		870,560		942,560		918,279		740,021	-130,539	-178,258
COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
TELECOMM EQUIP - READ CMD COMM										
JCSE EQUIPMENT (USREDCOM)	--	3,689	--	3,689	--	3,689	--	3,689	---	---
CLASSIFIED PROJECT 9WW	--	9,709	--	9,709	--	9,709	--	9,709	---	---
TELECOMM EQUIP - JOINT TACTICAL COMM PR										
TRI-TAC EQUIPMENT	--	183,532	--	125,532	--	155,000	--	125,500	-58,032	-29,500
RPTR/TERM ASSMBLGS	--	---	--	---	--	---	--	---	---	---
RADIO TERMINALS AN/TRC-170	--	---	--	---	--	---	--	---	---	---
MAINTENANCE SYSTEM AN/ARM-164	--	---	--	---	--	---	--	---	---	---
COM SYS COM EL AN/TYQ-16	--	---	--	---	--	---	--	---	---	---
DIG NSEC VTER TA-954	--	---	--	---	--	---	--	---	---	---
ANDVT-TAC TERM, CV-3591	--	---	--	---	--	---	--	---	---	---

MOBILE SUBSCRIBER EQUIP (MSE)...........................	--	1,019,800	--	1,019,800	--	1,019,800	--	1,019,800	---	---
MOD OF IN-SVC EQ (TRI-TAC)............................	--	12,426	--	12,426	--	12,426	--	12,426	---	---
SINCGARS...	--	---	--	---	--	---	--	---	---	---
TELECOMM EQUIP-COMBAT SUPPORT COMM										
SINCGARS FAMILY..	--	23,499	--	23,499	--	---	--	23,499	---	+23,499
HAND CRANK GENERATOR, G-76.............................	--	---	--	---	--	---	--	---	---	---
IMP HF RADIO FAMILY....................................	--	11,651	--	11,651	--	11,651	--	2,700	-8,951	-8,951
OPTICAL LONG HAUL TRAN SYS.............................	1,250	9,906	1,250	9,906	1,250	9,906	1,250	9,906	---	---
PWR SUPPLY PP-6148/U...................................	430	2,160	430	2,160	430	2,160	430	2,160	---	---
SOF MOD RADIOS...	--	2,485	--	2,485	--	2,485	--	2,485	---	---
ANTENNA GROUP OE-254...................................	10,209	5,049	10,209	5,049	10,209	5,049	10,209	5,049	---	---
SMALL UNIT TRANSCEIVER.................................	2,917	4,660	2,917	4,660	2,917	4,660	2,917	4,660	---	---
MOD OF IN-SVC EQUIP (CSC)..............................	--	955	--	955	--	955	--	955	---	---
SWASIA COMM INFRASTRUCTURE.............................	--	31,455	--	31,455	--	31,455	--	31,455	---	---
ITEMS LESS THAN $2.0M (CSC-C-E)........................	--	6,517	--	6,517	--	6,517	--	6,517	---	---
SPEC OPS COMM SUP ELMT.................................	--	---	--	---	--	---	--	---	---	---
SECURE CONFERENCING PROJECT............................	--	---	--	---	--	---	--	---	---	---
TELECOMM EQUIP - STARCOM NON-DCS										
AR TELECOM AUTO PR (ATCAP).............................	--	5,436	--	5,436	--	5,436	--	5,436	---	---
C-E FACILITIES/PROJECTS................................	--	4,660	--	4,660	--	4,660	--	4,660	---	---
SOUTHCOM C3 UPGRADE....................................	--	8,107	--	8,107	--	8,107	--	8,107	---	---
ELECTROMAG COMP PROG(EMCP).............................	--	---	--	---	--	---	--	---	---	---
LONG-HAUL COM (DCS)										
TRANSMISSION MEDIA (EUCOM).............................	--	---	--	---	--	---	--	---	---	---
TRANSMISSION MEDIA (PACOM).............................	--	---	--	---	--	---	--	---	---	---
WW TECH COM IMP PR(WWTCIP).............................	--	---	--	---	--	---	--	---	---	---
TELECOMM EQUIP - SATCOM-GRD ENVIRON										
DIGITAL EQUIPMENT (DSCS)...............................	--	14,271	--	14,271	--	14,271	--	14,271	---	---
INTERCONNECT FACILITY (DSCS)...........................	--	3,787	--	3,787	--	3,787	--	3,787	---	---
JAM RESISTANT SECURE COM (JRSC)........................	--	8,931	--	8,931	--	8,931	--	8,931	---	---
DSCS OPERATIONS CONTROL SYS (DOCS).....................	--	63,299	--	63,299	--	63,299	--	63,299	---	---
MOD IN-SVC EQUIP (DSCS)................................	--	1,262	--	1,262	--	1,262	--	1,262	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
MPK SAT UHF TERM, AN/PSC-3	115	4,078	115	4,078	115	4,078	115	4,078	---	---
VEH SAT UHF TERM, AN/VSC-7	30	1,128	30	1,128	30	1,128	30	1,128	---	---
SINGLE CHANNEL OBJECT TACT TERM (SCOTT)	--	1,165	--	1,165	--	1,165	--	1,165	---	---
MOD IN-SVC EQUIP (TAC SAT)	--	3,398	--	3,398	--	3,398	--	3,398	---	---
TELECOMM EQUIP - EUCOM C3 SYSTEM										
EUCOM C3 (NWS)	--	16,213	--	16,213	--	16,213	--	16,213	---	---
PACOM C3(NWS)	--	19,417	--	19,417	--	19,417	--	19,417	---	---
EUCOM ALTERNATE SPT HQ (ASH)	--	---	--	---	--	---	--	---	---	---
USAREUR TACTICAL COMD & CONTROL SYS (UTACCS)	--	9,126	--	9,126	--	9,126	--	9,126	---	---
TELECOMM EQUIP - COMSEC EQUIPMENT										
IFF COMSEC	--	4,466	--	4,466	--	4,466	--	4,466	---	---
TRUNK ENCRYPTION DEVICES (TED)	--	9,999	--	9,999	--	9,999	--	9,999	---	---
AUTO KEY DC KGX-93/TSEC	--	1,068	--	1,068	--	1,068	--	1,068	---	---
SEC VO IMPRV PRG (COMSEC)	--	19,029	--	19,029	--	19,029	--	19,029	---	---
DED LOOP ENCRYP DEV KG-84	--	16,407	--	16,407	--	16,407	--	16,407	---	---
TNK ENCRP DEV TSEC/KG-93	--	---	--	---	--	---	--	---	---	---
TSEC/KG-94	--	---	--	---	--	---	--	---	---	---
ADDS COMSEC KEY GENERATOR (KG-87)	--	680	--	680	--	---	--	680	---	+680
COMSEC MODULE, TSEC/KGV-13	--	17,766	--	17,766	--	5,000	--	17,766	---	+12,766
FREQ MODULE, KGV-10/TSEC	19,477	6,505	19,477	6,505	19,477	6,505	19,477	6,505	---	---
TSEC/KYV-5 (VACTOR) SECURE EQUIP	--	---	--	---	--	---	--	---	---	---
TEMPEST (COMSEC)	--	1,165	--	1,165	--	1,165	--	1,165	---	---
KOK-13/TSEC (KDC)	--	---	--	---	--	---	--	---	---	---
ADDS COMSEC SECURE MODULE (THORNTON KGV-8)	--	---	--	---	--	---	--	---	---	---
TSEC/KGV-11/SECURE MODULE	--	388	--	388	--	388	--	388	---	---
ITEMS LESS THAN $2.0M (COMSEC)	--	4,256	--	4,256	--	4,256	--	4,256	---	---

TELECOMM EQUIP - BASE COMM										
INFO SYSTEMS CONUS/WESTERN HEMISPHERE..................	--	27,669	--	27,669	--	15,000	--	27,669	---	+12,669
LOCAL AREA NETWORK (LAN)...............................	--	---	--	---	--	---	--	---	---	---
INFORMATION SYSTEMS (EUCOM)............................	--	8,738	--	8,738	--	8,738	--	8,738	---	---
INFORMATION SYSTEMS (PACOM)............................	--	7,961	--	7,961	--	7,961	--	7,961	---	---
ARMY OPNS CTR..	--	---	--	---	--	---	--	---	---	---
PENTAGON TELECOM CTR (PTC).............................	--	---	--	---	--	---	--	---	---	---
TMDE FOR TELECOMM										
CALIBRATION SETS EQUIPMENT.............................	--	21,261	--	21,261	--	21,261	--	21,261	---	---
TMDE MODERNIZATION.....................................	--	14,951	--	14,951	--	14,951	--	14,951	---	---
OTHER ELECT SYS/EQUIP - INTELLIGENCE SU										
4TH PSYOP GROUP..	--	12,136	--	12,136	--	12,136	--	12,136	---	---
ALL SOURCE ANALYSIS SYSTEM (ASAS) - TIARA..............	--	53,794	--	---	--	34,600	--	---	-53,794	-34,600
SINGLE SOURCE PROCESSOR - SIGINT.......................	--	3,810	--	3,810	--	3,810	--	3,810	---	---
REAR ECHELON COMINT SYSTEM (RECS)......................	1	27,669	--	---	--	---	--	---	-27,669	---
COMMANDERS TACTICAL TERMINAL...........................	38	20,388	--	12,388	--	---	38	12,388	-8,000	+12,388
TRAILBLAZER..	--	---	--	---	--	---	--	---	---	---
TAC ELEC SURV SYS......................................	--	3,397	--	3,397	--	3,397	--	3,397	---	---
MANPACK RADIO DF SYSTEM (MRDFS)........................	14	5,243	14	5,243	14	5,243	14	5,243	---	---
MOD IN SER EQ (INT SPT) TIARA..........................	--	29,066	--	26,500	--	18,238	--	26,500	-2,566	+8,262
ITEMS LESS THAN $2.0M (INT SPT-C-E)....................	--	5,932	--	5,932	--	4,923	--	5,932	---	+1,009
FT DEVENS TRAINING SUPPORT.............................	--	485	--	485	--	485	--	485	---	---
TROJAN...	--	25,436	--	25,436	--	---	--	25,436	---	+25,436
OTHER ELECT SYS/EQUIP - GEN DEF INTEL P										
OTHER ELECT SYS/EQUIP - AUTO DATA PROCE										
INTELLIGENCE DATA HANDLING SYSTEM (IDHS)...............	--	24,978	--	18,197	--	22,151	--	10,197	-14,781	-11,954
TECH RECON AND SURV SYSTEM (TECRAS)....................	--	4,696	--	4,696	--	---	--	4,696	---	+4,696
ITEMS LESS THAN $2 MILLION (FCI/S&IA-C-E)..............	--	1,792	--	1,792	--	1,792	--	1,792	---	---
ITEMS LESS THAN $2 MILLION (GDIP-C-E)..................	--	11,133	--	11,133	--	---	--	11,133	---	+11,133
STARNET/VIABLE...	--	---	--	---	--	---	--	---	---	---
BATTERY COMPUTER SYSTEM................................	--	---	--	---	--	---	--	---	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
AMC INFORMATION PROCESSING EQUIPMENT (IPE)............	--	18,543	--	18,543	--	13,000	--	18,543	---	+5,543
ADV FIELD ARTILLERY TACT DATA SYS......................	--	77,668	--	---	--	---	--	26,000	-51,668	+26,000
ARMY DATA DISTRIBUTION SYSTEM (ADDS)...................	--	116,600	--	100,000	--	100,000	--	100,000	-16,600	---
TRADOC AUTOMATION......................................	--	2,342	--	2,342	--	2,342	--	2,342	---	---
USAREUR TACTICAL AUTOMATION............................	--	---	--	---	--	---	--	---	---	---
LIFE CYCLE SOFTWARE SUP. (LCSS)........................	--	9,174	--	9,174	--	9,174	--	9,174	---	---
ADPE FOR NON TAC MGT INFO SYS..........................	--	---	--	---	--	---	--	---	---	---
SUPERCOMPUTERS...	--	27,378	--	27,378	--	27,378	--	27,378	---	---
PROJECT BOX PHASE II...................................	--	---	--	---	--	---	--	---	---	---
TRANS OF PERS PROP.....................................	--	---	--	---	--	---	--	---	---	---
STD ARMY AUTO CONTRACT SY..............................	--	---	--	---	--	---	--	---	---	---
HQ AUTOMATION SYSTEMS..................................	--	20,389	--	20,389	--	10,089	--	20,389	---	+10,300
MEDICAL AUTOMATION SYSTEMS.............................	--	2,233	--	2,233	--	2,233	--	2,233	---	---
PERSONNEL AUTOMATION SYSTEMS...........................	--	24,582	--	10,000	--	1,482	--	10,000	-14,582	+8,518
TRAINING AUTOMATION SYSTEMS............................	--	2,427	--	2,427	--	---	--	2,427	---	+2,427
LOGISTICS AUTOMATION SYSTEMS...........................	--	9,529	--	9,529	--	---	--	9,529	---	+9,529
RESERVE COMPONENT AUTOMATION SYSTEMS...................	--	23,100	--	23,100	--	23,100	--	23,100	---	---
FORWARD ENTRY DEVICE...................................	--	22,815	--	22,815	--	22,815	--	22,815	---	---
MANUEVER CONTROL SYS (MCS).............................	--	96,113	--	---	--	96,113	--	96,113	---	---
CORPS/THEATER ADP SVC CTR (CTASC)......................	--	17,475	--	9,475	--	9,475	--	9,475	-8,000	---
TACT ARMY CMBT COMPT SY(TACCS).........................	1,881	30,781	1,881	30,781	1,881	30,781	1,881	30,781	---	---
FWD AREA AIR DEFENSE CMD & CTL (FAAD C2)...............	--	76,300	--	---	--	---	--	---	-76,300	---
CSS LOG APPLC AUTO MARK/READ SYMBS(LOG MAR)............	--	21,222	--	21,222	--	21,222	--	21,222	---	---
WWMCCS INFORMATION SYSTEM (WIS)........................	--	23,272	--	23,272	--	2,445	--	2,445	-20,827	---
ARMY COMMAND AND CONTROL SYSTEM (ACCS).................	--	---	--	237,700	--	---	--	---	---	---
AUDIO VISUAL										
AFRTS (AUDIO VISUAL)...................................	--	5,049	--	5,049	--	5,049	--	5,049	---	---

ITEMS LESS THAN $2 MILLION (A/V-C-E).................	--	9,126	--	9,126	--	9,126	--	9,126	---	---
TACTICAL ELEC NEWS GATHERING EQUIP....................	--	2,955	--	2,955	--	2,955	--	2,955	---	---
OTHER ELECT SYS/EQUIP - ELECTRONIC WARFARE										
TACJAM, AN/MLQ-34.....................................	--	---	--	---	--	---	--	---	---	---
TACTICAL DECEPTION (TAC-D)............................	--	4,602	--	4,602	--	---	--	4,602	---	+4,602
MOD IN-SVC EQUIP (EW).................................	--	2,815	--	2,815	--	2,815	--	2,815	---	---
ITEMS LESS THAN $2.0M (EW-C-E)........................	--	777	--	777	--	777	--	777	---	---
OTHER ELECT SYS/EQUIP - TACTICAL ELECTR										
BATTERY CHARGER PP-7286/U.............................	497	1,941	497	1,941	497	1,941	497	1,941	---	---
POWER SUPPLY, PP-6224.................................	2,400	3,200	2,400	3,200	2,400	3,200	2,400	3,200	---	---
COMPUTER/INDICATOR, CP-696/PD.........................	986	3,800	986	3,800	986	3,800	986	3,800	---	---
METEROLOGICAL DATA SYS (FAMAS)........................	7	1,068	7	1,068	7	1,068	7	1,068	---	---
HAND HELD LASER RANGEFINDER AN/GVS-5..................	--	---	--	---	--	---	--	---	---	---
PHYSICAL SECURITY EQUIPMENT...........................	--	5,817	--	5,817	--	5,817	--	5,817	---	---
FACILITY INTRUSION DETECTION SYSTEM...................	1	5,339	1	5,339	1	2,000	1	5,339	---	+3,339
NAVSTAR USER EQUIPMENT................................	--	23,787	--	23,787	--	23,787	--	23,787	---	---
POSITION/AZIMUTH DETERMINING SYS (PADS)...............	68	21,650	68	21,650	68	21,650	68	21,650	---	---
NIGHT VISION GOGGLES..................................	--	138,100	--	138,100	--	138,100	--	138,100	---	---
AIMING LIGHT INFRARED, AN/PAQ-4.......................	--	1,456	--	1,456	--	1,456	--	1,456	---	---
NIGHT VISION SIGHT INDIV WPN AN/PVS-4.................	5,563	14,500	5,563	14,500	5,563	12,709	5,563	12,709	-1,791	---
RADIAC SET AN/VDR-2...................................	3,294	5,145	3,294	5,145	3,294	5,145	3,294	5,145	---	---
RPV TA/DESIGN AERIAL RECON SYS (TADARS)...............	--	179,448	--	---	--	---	--	---	-179,448	---
UNMANNED AERIAL VEHICLE FAMILY........................	--	42,426	--	---	--	---	--	---	-42,426	---
MULTIFUNCTION RADAR TRANSPONDER BEACON................	48	4,660	48	4,660	--	---	48	4,660	---	+4,660
JOINT STARS (ARMY)....................................	--	36,892	--	36,892	--	31,892	--	36,892	---	+5,000
SHOP SHELTER MTD ASM-189..............................	--	---	--	---	--	---	--	---	---	---
SHOP SHELTER MDT-REP AN/ASM-146.......................	--	---	--	---	--	---	--	---	---	---
ELECTRONIC MAINTENANCE SHOPS..........................	--	11,553	--	11,553	--	11,553	--	11,553	---	---
TEST SET, RADAR, AN/TPM-25............................	78	2,524	78	2,524	78	2,524	78	2,524	---	---
MODIFICATION OF IN-SERVICE EQ (TAC EL)................	--	32,500	--	32,500	--	32,500	--	32,500	---	---
ITEMS LESS THAN $2 MILLION (TACT ELEC-C-E)............	--	6,408	--	6,408	--	6,408	--	6,408	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
TMDE FOR TACTICAL ELECTRONICS										
INTERMEDIATE FORWARD TEST EQUIP........................	--	27,572	--	27,572	--	27,572	--	---	-27,572	-27,572
TMDE FOR STE/ICE..	2,118	2,233	2,118	2,233	2,118	2,233	2,118	2,233	---	---
CORE ELECTRONIC AUTO TEST (STE-X).......................	26	2,039	26	2,039	26	2,039	26	2,039	---	---
OTHER ELECT SYS/EQUIP - SUP EQUIP AND F										
SPARES AND REPAIR PARTS.................................	--	162,403	--	142,403	--	158,349	--	394,900	+232,497	+236,551
SPARES AND REPAIR PARTS.................................	--	9,306	--	9,306	--	8,300	--	---	-9,306	-8,300
SPARES AND REPAIR PARTS.................................	--	315,864	--	275,964	--	270,645	--	---	-315,864	-270,645
SPECIAL PROGRAMS..	--	209,200	--	209,200	--	199,200	--	196,200	-13,000	-3,000
PRODUCTIVITY INVESTMENT FUNDING.........................	--	27,166	--	27,166	--	27,166	--	27,166	---	---
PR ENH CAP INV PR/QWK RT INV PR(PECIP/QRIP..............	--	8,771	--	8,771	--	8,771	--	8,771	---	---
PRODUCTION BASE SUPPORT (C-E)...........................	--	5,243	--	5,243	--	5,243	--	5,243	---	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT.....		3,843,313		3,353,166		3,090,148		3,124,633	-718,680	+34,485
OTHER SUPPORT EQUIPMENT										
CHEMICAL DEFENSIVE EQUIPMENT										
DECONTAMINATE APP PWR DR LT WT XM17.....................	277	3,949	277	3,949	277	3,949	277	3,949	---	---
MASK, PROTECTIVE, NBC...................................	--	51,036	--	51,036	--	51,036	--	51,036	---	---
CHEMICAL AGENT MONITOR..................................	3,374	19,348	3,374	19,348	3,374	19,348	--	---	-19,348	-19,348
SIMP COLL PROT EQUIP XM20...............................	812	4,245	812	4,245	812	4,245	812	4,245	---	---
AUTO CHEMICAL AGENT ALARM (ACADA), XM22.................	--	---	--	---	--	---	--	---	---	---
GEN SET, SMOKE, MECH, PUL JET, XM157....................	--	---	--	---	--	---	--	---	---	---

BRIDGING EQUIPMENT										
RIBBON BRIDGE ERECTION BOAT............................	--	588	144	18,888	144	18,888	--	18,888	+18,300	--
BRIDGE, FLOAT-RIBBON, INTERIOR BAY.....................	--	202	--	202	--	202	--	202	---	---
BRIDGE, FLOAT-RIBBON, RAMP.............................	--	197	--	197	--	197	--	197	---	---
BRIDGE, FLOAT-RIBBON, TRANSPORTER......................	110	10,879	110	10,879	110	10,879	110	10,879	---	---
ITEMS LESS THAN $2.0M(BRIDGING)........................	--	105	--	105	--	105	--	105	---	---
ENGINEER (NON-CONSTRUCTION) EQUIPMENT										
GEMSS AUX MINE DISPNSR XM138 (FLIPPER).................	--	---	--	---	--	---	--	---	---	---
DISPENSER MINE XM139...................................	--	---	--	---	--	---	--	---	---	---
MIXER/PUMPER UNIT (MPU) TEXS...........................	48	8,884	48	8,884	--	---	48	8,884	--	+8,884
MARKING SYS, CLEAR LANE................................	40	1,283	40	1,283	40	1,283	40	1,283	---	---
DETECTING SET, MINE, AN/PSS-12.........................	3,132	4,837	3,132	4,837	3,132	4,837	3,132	4,837	---	---
MINE PLOW(BLADE).......................................	180	10,859	180	10,859	180	9,000	180	10,859	---	+1,859
MINE CLEARING ROLLER...................................	42	3,060	42	3,060	42	3,060	42	---	-3,060	-3,060
REMOTE CONTROL UNIT (MOPMS)............................	1,560	9,280	1,560	9,280	1,560	9,280	1,560	9,280	---	---
SURVEY SET DISTANCE MEASURING INFRARED.................	--	---	--	---	--	---	--	---	---	---
M-9 ARMORED COMBAT EARTHMOVER (ACE)....................	127	65,954	127	53,954	127	63,054	127	53,954	-12,000	-9,100
ITEMS LESS THAN $2.0M (ENG NON-CONST)..................	--	1,743	--	1,743	--	1,743	--	1,743	---	---
COMBAT SERVICE SUPPORT EQUIPMENT										
AIR CONDITIONERS VARIOUS SIZE/CAPACITIES...............	--	15,004	--	15,004	--	15,004	--	15,004	---	---
FIELD KITCHEN,MOBILE, TRL MTD..........................	969	15,499	969	15,499	969	15,499	969	15,499	---	---
MODULAR FIELD KITCHEN..................................	160	4,151	160	4,151	160	4,151	--	---	-4,151	-4,151
DIVING EQUIPMENT.......................................	--	3,751	--	3,751	--	3,751	--	3,751	---	---
FIRETRUCKS...	--	13,228	--	13,228	--	13,228	--	13,228	---	---
HEATER DUCT TYPE.......................................	400	2,962	400	2,962	400	4,962	400	2,962	---	-2,000
LAUNDRY UNIT/TRL MTD...................................	89	5,874	89	5,874	89	5,824	89	5,824	---	---
TAG PRINTING AND BINDING EQUIPMENT.....................	--	4,640	--	---	--	2,640	--	---	-4,640	-2,640
PRINT PLANT, SW TRANSPORTABLE..........................	5	2,369	--	---	5	2,369	--	---	-2,369	-2,369
ITEMS LESS THAN $2.0M (CSS-EQ).........................	--	6,872	--	6,872	--	6,872	--	6,872	---	---
MODIFICATIONS OF IN SERVICE EQUIP (CSE)................	--	4,936	--	4,936	--	4,936	--	4,936	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
PETROLEUM EQUIPMENT										
TANK ASSEMBLY FAB COLL POL 50000 G......................	382	6,022	382	6,022	382	3,898	382	6,022	---	+2,124
FORWARD AREA REFUELING EQUIPMENT (FARE)................	--	---	--	---	--	---	--	---	---	---
TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G...............	462	4,235	462	4,235	462	4,235	462	4,235	---	---
TANK ASSY, FAB COLLAPS, 20,000 GAL POL.................	--	---	--	---	--	---	--	---	---	---
TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING.................	478	4,412	478	4,412	478	4,412	478	4,412	---	---
LABORATORY,PETROLEUM,SEMI-TRLR MTD.....................	2	1,679	2	1,679	2	1,679	2	1,679	---	---
PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM.................	259	2,764	259	2,764	259	2,764	259	2,764	---	---
SWA PETROLEUM DISTRIBUTION SYSTEM......................	--	41,771	--	41,771	--	41,771	--	41,771	---	---
ITEMS LESS THAN $2.0M (POL)............................	--	5,035	--	5,035	--	5,035	--	5,035	---	---
WATER EQUIPMENT										
WTR PUR UNIT REV OS 3000 GPH (ROWPU)...................	50	20,336	50	20,336	50	20,336	50	20,336	---	---
WATER PUR UNIT, REV OSMOSIS, 600GPH (ROW...............	101	11,451	101	11,451	101	11,451	101	11,451	---	---
TACTICAL WATER DISTR SYS...............................	18	9,180	18	9,180	18	9,180	18	9,180	---	---
TANK,FAB COLLAPS,3000 GAL,WATER (ONION)................	--	---	--	---	--	---	--	---	---	---
SMALL MOBILE WATER CHILLER (SMWC)......................	--	---	--	---	--	---	--	---	---	---
PUMP CENTRIFUGAL, 65GPM................................	899	1,580	899	1,580	899	1,580	899	1,580	---	---
ITEMS LESS THAN $2.0M (WATER EQ).......................	--	3,850	--	3,850	--	3,850	--	3,850	---	---
MEDICAL EQUIPMENT										
DEPLOYABLE MEDICAL SYSTEM (DMS)........................	--	82,823	--	82,823	--	82,823	--	---	-82,823	-82,823
CBT SUP EQUIP MEDICAL..................................	--	44,980	--	44,980	--	44,980	--	118,896	+73,916	+73,916
MEDICAL SUPPORT EQUIPMENT..............................	--	60,004	--	60,004	--	60,004	--	60,004	---	---
MAINTENANCE EQUIPMENT										
WELDING SHOP, TRAILER MTD..............................	--	---	--	---	--	---	--	---	---	---
SHOP EQ ELECTRICAL RPR SEMI-TRL MTD....................	66	9,600	66	9,600	66	9,600	66	9,600	---	---

AUTHORIZATION CHANGES

The Committee recommends the following reductions in accordance with Senate authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Trailer and dolly sets	42,399	26,399	- 16,000
TRI-TAC equipment	183,532	125,500	- 58,032
ASAS-TIARA	53,794		- 53,794
Command tactical terminals	20,388	12,388	- 8,000
Rear echelon comint	27,699		- 27,699
M-9 ACE	65,954	53,954	- 12,000
Intelligence data systems	24,978	10,197	- 14,781
Corps/theater level ADP	17,475	9,475	- 8,000
Tractor crawler	7,009		- 7,009
Construction equipment less than $2 million	12,768	9,768	- 3,000
Personnel automation systems	24,582	10,000	- 14,582
Intelligence support-TIARA	29,066	26,500	- 2,566
Data distribution system	116,600	100,000	- 16,600
TAG printing/binding	4,640		- 4,640
Printing plants	2,369		- 2,369

COMMITTEE RECOMMENDED ADJUSTMENTS

TACTICAL AND SUPPORT VEHICLES

Heavy equipment transporter.—The Committee denies the funding request of $21,181,000 for the XM-1000 trailer and the HET truck. The Army continues to change the aquisition strategy for this program, eliminating the requirement for fiscal year 1988 funds. Prior year appropriations in the host nation support line are recommended for rescission due to the Army's inability to obligate those funds.

M-915A1 truck tractor.—The Committee recommends a reduction of $19,993,000 in the request of $40,693,000. The amount proposed establishes this program at a funding level consistent with anticipated production rates for this vehicle in future years.

Heavy expanded mobility tactical trucks.—The Committee supports the request of $131,297,000 for 10-ton trucks. The Committee assigns a high priority to the continued production of this vehicle, and believes the Army should sustain the existing production rate in fiscal year 1989. The Committee anticipates an amendment to the existing fiscal year 1989 budget request reflecting this priority. The Committee strongly disagrees with the direction provided by the House for this program. To stipulate in law the procurememt quantity of each variant of this vehicle and delivery distribution sacrifices any negotiating position by the Army with the vehicle producer, as well as ignoring Army operational and mission requirements.

The Committee believes the Army should be permitted to manage this program to maximize the acquisition 10-ton trucks for fiscal year 1988. Development of the palletized loading system for the Army is addressed in the research and development section of this report.

Spares.—The Committee recommends a reduction of $73,365,000 in the request of $118,565,000. The requirement for spares funding has been reduced by cost savings through competition, available prior-year appropriations, and program reductions for fiscal year 1988.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

Reserve component automation system.—The Committee disagrees with the direction of the House in section 8103 of H.R. 3576. The Committee recognizes the legacy of problems and delays associated with development of an automation system for the Reserve component, and shares the concern of the House that RCAS respond to the needs of the Army National Guard and the Army Reserves.

The Committee has reviewed the current proposal to commence development of RCAS, and believes that the Army has addressed many of the issues identified in the House report. The Committee believes that the Reserve component should play the central role in the definition of requirements and development of RCAS. The Army National Guard and the Army Reserve should jointly advise the Army acquisition executive on the specific operational and mission functions designated for RCAS, and should fully participate in the source selection process and in the proposal of the system to the MAISARC.

Program procurement responsibilities on behalf of the Army National Guard and the Army Reserve have generally been managed by the Army's internal acquisition process. The Committee believes that the objective of interoperability between the Active and Reserve components of the Army can best be achieved by relying on the expertise of the Army National Guard and the Army Reserve to define their needs, while utilizing the administrative resources of the Army acquisition system to ensure efficient program management and coordination with associated Army automation efforts.

SINCGARS.—The Committee provides $23,499,000 for the procurement of airborne radios. The Army has proposed to utilize previously appropriated funds to initiate a second source production of SINCGARS. These funds were originally provided to purchase ground radios from the initial system producer. The Committee disagrees with the Army's plan to initiate a second source production on a form-fit-function basis at this time.

The original contractor for this program has not yet achieved the rate production standards set for SINCGARS. Embarking on a separate development effort, through modifying existing production radios, exposes the Army to potential delays in availability and risks interoperability, a key requirement and rationale for SINCGARS.

The Committee fully supports competitive procurement of SINCGARS. Recognizing the substantial delays in this program, and technological advances that could enhance radio performance, the Committee expects the Army to address either a second source effort based on the current SINCGARS design, including the embedded COMSEC, or a competition between the current SINCGARS and alternative radios in the revised fiscal year 1989 budget request.

HF radios.—The Committee recommends a reduction of $8,951,000 in the request of $11,651,000. Failure to obligate prior-year appropriations for the GRC-213 radio defers the requirement for additional funds.

Army command and control system [ACCS].—The Committee strongly supports the Army's effort to develop a common computer hardware and software structure for all battlefield command and control systems. The Committee believes that this major initiative will take time to implement, and reductions to some component systems reflect the Committee's concern that the pace of this program not exceed its real level of development.

Advanced field artillery tactical data system.—The Committee recommends a reduction of $51,668,000 in the request of $77,668,000. The Committee allowance of $26,000,000 will support continued development of AFATDS with the near-term objective of automating fire support for Army airborne and light infantry units.

FAAD command and control.—The Committee defers the request of $76,300,000 for procurement of the command and control element of the Army's new forward area air defense program in accordance with delays in the system selection and development of aerial and ground sensors.

WWMCCS information system [WIS].—The Committee recommends a reduction of $20,827,000 in the request of $23,272,000. This program is discussed in detail in the procurement, Defense Agencies section of this report.

Viable network.—The Committee concurs with the House position on the extension of the Viable computer automation network to Europe. The Committee recognizes the Army requirement to provide automation network services and urges the Army to respond expeditiously to this need.

Night vision sight.—The Committee recommends a reduction of $1,791,000 in the request of $14,500,000. The Committee allowance reflects a delay in a program component identified in a GAO review.

Aquila RPV.—The Committee deletes $179,448,000 requested for Aquila. Persistent failures in the field testing of this system eliminate the requirement for additional funds. Given the long record of problems and failures associated with Aquila, and the hundreds of millions of dollars invested by the Government to date, the Committee urges the Army to consider termination of the Aquila. Those components of the system that have merit should be evaluated for applications on other remotely piloted and unmanned aerial vehicles as discussed in the research and development section of this report.

Unmanned aerial vehicle.—The Committee denies the request of $42,426,000 for this system. The Army should consider other candidate systems in development for the mission requirements identified for this program.

Forward intermediate test equipment.—The Committee defers the request of $27,572,000. A review by the General Accounting Office identified delays in program development and associated systems eliminating the requirement for funding in fiscal year 1988.

Spares.—The Committee has consolidated all spares funding for communications and electronics equipment into one budget line. This combined request of $487,537,000 is reduced by $92,673,000 to reflect program adjustments and available prior-year funds.

OTHER SUPPORT EQUIPMENT

Chemical agent monitor.—The Committee defers the request of $19,348,000. Production and contracting delays have created a balance of available prior-year appropriations to continue this program.

Bridge erection boats.—The Committee proposes $18,888,000, an addition of $18,300,000 to the request. This increase procures the final increment of a multiyear contract.

Mine rollers.—The Committee defers the request of $3,060,000. Production delays eliminate the requirement for additional funds.

Modular field kitchens.—The Committee transfers funding for these items to the combat support medical equipment budget line.

Deployable medical systems.—The Committee transfers funding for these items to the combat support medical equipment budget line.

Combat support medical equipment.—The Committee consolidates all combat medical support programs into one budget request. The Committee allows $118,896,000 of the combined request of $127,803,000. Available prior-year funds and savings through centralized management of these systems support the reduction of $8,907,000.

Small emplacement excavator.—The Committee recommends a reduction of $8,898,000 in the request of $38,598,000. The Committee does not agree with the substantial economic price adjustment proposed for this item in the budget request.

Elevated causeways.—The Committee defers the request of $22,013,000. The scheduled award for this program has slipped until fiscal year 1989.

Spares.—The Committee recommends a reduction of $4,972,000 in the request of $48,272,000. The Committee allowance recognizes program adjustments in support equipment.

Army tugboat acquisition.—The Committee denies the request of $8,391,000 for the inland tugboat, and the request of $11,057,000 for the coastal tugboat. The Government currently holds title to a large number of vessels capable of performing this mission through the Maritime Administration ship loan guarantee program. The Army should report to the Committee by March 1, 1988, the suitability of these craft for this mission and the estimated cost of upgrading these ships to meet Army requirements. Prior appropriations to this program are recommended for rescission.

The Army should also address the transfer of its tugboat mission to the Military Sealift Command [MSC]. The MSC currently operates tugboats for the Navy with civilian crews at considerable savings to the Government. The Committee believes that consolidation of this activity within the MSC for all of the Department of Defense would generate further economies of scale and permit Army military personnel to engage in missions better suited to their training and experience.

National training center.—The Committee recommends a reduction of $20,000,000 in the request of $34,649,000. The Committee defers development of a European training center not reflected in the original budget request. The recommendation fully funds the budget request for the National Training Center activities at Fort Irwin.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
HMMWV	109,333	106,233	109,333
SUSV	38,046	18,046	38,046
KG–87	680		680
TSEC/KGV–13	17,766	5,000	17,766
Conus information systems	27,669	15,000	27,669
Intel support items less than $2 million	5,932	4,932	5,932
TROJAN	25,436		25,436
TEC–RAS	4,696		4,696
GDIP items less than $2 million	11,133		11,133
AMC info processing	18,543	13,000	18,543
Headquarters automation systems	20,389	10,089	20,389
Training automation systems	2,427		2,427
Logistics automation system	9,529		9,529
Tactical deception devices	4,602		4,602
Facility intrusion detective system	5,339		5,339
Radar transponder beacon	4,660		4,660
Joint stars	36,892	31,892	36,892
MPU–TEXS	8,884		8,884
Mine plow blade	10,859	9,000	10,859
Tank assembly 50,000 gallon	6,022	3,898	6,022
6,000-lb. forklift	18,164	10,000	18,164
Host nation support	40,276	38,276	40,276

AIRCRAFT PROCUREMENT, NAVY

1987 appropriation	$9,977,262,000
1988 budget estimate	9,924,883,000
House allowance	9,580,206,000
Committee recommendation	8,765,346,000

The Committee recommends an appropriation of $8,765,346,000, a decrease of $1,159,537,000 from the President's budget request and $814,860,000 below the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of aircraft, including ordnance systems, ground support equipment, flight simulators, spare parts, accessories, and specialized equipment, expansion of public and private plants.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

STEAM CLEANER..	188	1,974	188	1,974	188	1,974	188	1,974	---	---
SHOP EQUIP, CANVAS AND GLASS SHELTER MTD.............	57	5,232	57	5,232	57	5,232	57	5,232	---	---
WELDING MACHINE ELECTARC 350 AMP (CC-C)...............	--	---	--	---	--	---	--	---	---	---
BUILDING, PRE-FAB, RELOCATABLE........................	--	---	--	---	--	---	--	---	---	---
CALIBRATION SET SUPPORT...............................	--	---	--	---	--	---	--	---	---	---
ITEMS LESS THAN $2.0M (MAINT EQ)......................	--	2,764	--	2,764	--	2,764	--	2,764	---	---
CONSTRUCTION EQUIPMENT										
DISTRIBUTER, WATER SP MIN 2500G SEC/NON-SE............	22	5,627	22	5,627	22	5,627	22	5,627	---	---
DIST, WATER, 6000G, SEMI-TRL MTD (CCE)................	49	3,356	49	3,356	49	3,356	49	3,356	---	---
TRACTOR FULL TRACKED LOW SPEED DD MED.................	--	---	--	---	--	---	--	---	---	---
TRACTOR CRAWLER T-11 SIZE W/RIPPER (CCE)..............	36	7,009	--	---	--	---	--	---	-7,009	---
SMALL EMPLACEMENT EXCAVATOR (SEE).....................	422	38,598	422	38,598	422	38,598	422	29,700	-8,898	-8,898
MODS OF IN SERVICE EQUIP (CONST EQUIP)................	--	198	--	198	--	198	--	198	---	---
ITEMS LESS THAN $2.0M (CONST EQUIP)...................	--	12,768	--	9,768	--	12,768	--	9,768	-3,000	-3,000
RAIL FLOAT CONTAINERIZATION EQUIPMENT										
LANDING, CRAFT, UTILITY...............................	6	24,600	6	24,600	6	24,600	6	24,600	---	---
TUG, HARBOR, INLAND WATERWAYS.........................	1	8,391	1	5,400	1	2,391	--	---	-8,391	-2,391
TUG INLAND AND COASTAL WATERWAYS......................	1	11,057	1	11,057	1	11,057	--	---	-11,057	-11,057
CAUSEWAY SYSTEMS......................................	--	22,013	--	22,013	--	22,013	--	---	-22,013	-22,013
RAILWAY CAR, TANK, POL, 20000G........................	--	---	--	---	--	---	--	---	---	---
MODIFICATIONS OF IN-SERV EQ (FLOAT/RAIL)..............	--	4,344	--	4,344	--	4,344	--	4,344	---	---
ITEMS LESS THAN $2.0M (FLOAT/RAIL)....................	--	3,356	--	3,356	--	3,356	--	3,356	---	---
GENERATORS										
GEN AND ASSOCIATED EQUIP..............................	--	44,248	--	44,248	--	44,248	--	44,248	---	---
MATERIEL HANDLING EQUIPMENT										
TRUCK, FORK LIFT, CBD, PT, 4000 LB....................	423	8,391	423	8,391	423	8,391	423	8,391	---	---
TRUCK, FORK LIFT, CBD, PT, 6000 LB....................	--	---	--	---	--	---	--	---	---	---
TRUCK, FORK LIFT, DE, PT, RT, 6000 LB.................	240	18,164	240	18,164	240	10,000	240	18,164	---	+8,164
TRUCK, FORK LIFT, DE, PT, RT, 4000 LB.................	159	3,751	159	3,751	159	3,751	159	3,751	---	---
TRUCK, FORK LIFT, ELEC, SRT, 4000 LB..................	--	---	--	---	--	---	--	---	---	---
65 TON CRANE..	118	34,649	118	24,849	118	24,849	118	24,849	-9,800	---
ITEMS LESS THAN $2.0M (MHE)...........................	--	2,666	--	2,666	--	2,666	--	2,666	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SPARES AND REPAIR PARTS	--	48,272	--	48,272	--	46,685	--	43,300	-4,972	-3,385
PRODUCTION BASE SUPPORT (OTH)	--	6,992	--	6,992	--	6,992	--	6,992	---	---
OSD PRODUCTIVITY INVESTMENT FUNDING	--	3,353	--	3,353	--	3,353	--	3,353	---	---
SPECIAL EQUIPMENT FOR USER TESTING	--	17,177	--	17,177	--	17,177	--	17,177	---	---
ITEMS LESS THAN $2.0M (OTH SPT EQ)	--	---	--	---	--	---	--	---	---	---
HOST NATION SUPPORT - EUROPE	--	40,276	--	40,276	--	38,276	--	40,276	---	+2,000
NATIONAL TRAINING CTR SUP	--	34,649	--	34,649	--	34,649	--	14,649	-20,000	-20,000
TRAINING DEVICES, NONSYSTEM	--	137,882	--	137,882	--	137,882	--	137,882	---	---
BCE (NCHI)	--	---	--	---	--	---	--	---	---	---
PECIP (NCMI)	--	---	--	---	--	---	--	---	---	---
QRIP (NCMI)	--	---	--	---	--	---	--	---	---	---
NON-CENTRALLY MANAGED ITEMS	--	19,823	--	19,823	--	19,823	--	19,823	---	---
MISSION ESSENTIAL EQUIPMENT (SUPPORT EQUIP)	--	---	--	50,000	--	---	--	---	---	---
TOTAL, OTHER SUPPORT EQUIPMENT		1,156,987		1,183,478		1,124,960		1,025,672	-131,315	-99,288
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
GENERAL REDUCTION	--	---	--	---	--	---	--	---	---	---
USSOC FORCES COMMUNICATIONS	--	---	--	15,300	--	---	--	---	---	---
TOTAL, OTHER PROCUREMENT, ARMY		5,870,860		5,494,504		5,133,387		4,890,326	-980,534	-243,061
TRANSFER FROM OTHER ACCOUNTS		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE		5,870,860		5,494,504		5,133,387		4,890,326	-980,534	-243,061

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
AIRCRAFT PROCUREMENT, NAVY										
COMBAT AIRCRAFT										
DA-1 COMBAT AIRCRAFT										
A-6E/F (ATTACK) INTRUDER (MYP)...........................	12	702,244	--	---	12	587,800	--	---	-702,244	-587,800
A-6E/F (ATTACK) INTRUDER (MYP) (AP-CY)................	--	109,917	--	---	--	109,917	--	---	-109,917	-109,917
A-6E/F UPGRADE RETROFIT...................................	--	---	11	376,610	--	---	--	---	---	---
EA-6B (ELECTRONIC WARFARE) PROWLER......................	6	336,062	12	482,772	12	456,700	12	482,762	+146,700	+26,062
EA-6B (ELECTRONIC WARFARE) PROWLER (AP-CY).............	--	17,876	--	22,713	--	22,713	--	17,826	---	-4,887
AV-8B (V/STOL) HARRIER...................................	32	564,159	24	427,752	24	437,000	32	564,159	---	+127,159
AV-8B (V/STOL) HARRIER (AP-CY)...........................	--	64,040	--	48,030	--	150,000	--	64,040	---	-85,960
F-14A/D (FIGHTER) TOMCAT.................................	12	676,764	12	676,764	12	676,764	12	650,000	-26,764	-26,764
F-14A/D (FIGHTER) TOMCAT (AP-CY).........................	--	84,289	--	84,289	--	84,289	--	84,289	---	---
F/A-18 (FIGHTER) HORNET (MYP)............................	84	2,316,610	84	2,316,610	84	2,248,710	84	2,248,710	-67,900	---
F/A-18 (FIGHTER) HORNET (MYP) (AP-CY)..................	--	155,982	--	155,982	--	140,000	--	155,982	---	+15,982
CH/MH-53E (HELO) SUPER STALLION (MYP)..................	14	210,687	14	210,687	14	204,687	14	210,687	---	+6,000
CH/MH-53E (HELO) SUPER STALLION (MYP) (AP-CY).........	--	21,799	--	21,799	--	21,799	--	21,799	---	---
AH-1W (HELICOPTER) SEA COBRA.............................	22	172,663	17	135,000	34	225,550	12	100,000	-72,663	-125,550
AH-1W (HELICOPTER) SEA COBRA (AP-CY)...................	--	---	--	---	--	---	--	---	---	---
SH-60B (ASW HELO) SEAHAWK................................	6	98,727	9	144,827	6	98,727	6	98,727	---	---
SH-60B (ASW HELO) SEAHAWK (AP-CY).......................	--	26,273	--	26,273	--	26,273	--	26,273	---	---
SH-60F (CV ASW HELO)......................................	18	279,733	18	279,733	18	264,700	18	279,733	---	+15,033
SH-60F (CV ASW HELO) (AP-CY).............................	--	29,646	--	29,646	--	29,646	--	29,646	---	---
P-3C/G (PATROL) ORION.....................................	--	146	--	34,146	--	---	--	146	---	+146
P-3C/G (PATROL) ORION (AP-CY)............................	--	---	--	---	--	---	--	---	---	---
LONG RANGE AIR ASW CAPABLE AIRCRAFT.....................	--	---	--	80,200	--	---	--	---	---	---
EX COMPETITION..	8	179,815	--	---	--	---	--	---	-179,815	---

COMMITTEE RECOMMENDED ADJUSTMENTS

COMBAT AIRCRAFT

A–6 attack aircraft.—The Committee recommends terminating the A–6F program consistent with the guidance of the Senate Armed Services Committee. The A–6F aircraft is an update of a 1960's technology attack aircraft. The Navy is currently also developing a new attack aircraft, the Advanced Tactical Aircraft [ATA]. The Committee recommends funding the new aircraft at the budget level and deleting all funds for the A–6F.

The A–6F aircraft will not be survivable against the estimated threat in the 1990's. Given its lack of survivability and an estimated procurement cost in excess of $35,000,000 per aircraft, the A–6F is not cost effective. The recommendation supports development of a new aircraft which is estimated to be significantly more survivable than the A–6F.

EA–6B (Prowler) aircraft.—The Committee recommends $482,762,000 for procurement of 12 EA–6B electronic warfare aircraft. This is an increase of six aircraft and $146,700,000 above the budget request. The allowance is $26,062,000 above the House level.

The increase in the EA–6B production will provide a warm production base for the A–6 program. The Committee's recommendation to terminate the A–6F program in favor of the follow-on ATA program ends the current production of the A–6 attack aircraft. While the Committee has no information which indicates that the ATA will be delayed or meet unexpected problems, the increase of the EA–6B will keep production of A–6's ongoing at a sustaining rate in the event that future A–6E aircraft need to be produced.

F–14D fighter.—The Committee recommends $650,000,000 for procurement of 12 F–14D aircraft. This is $26,764,000 below the budget request for the same number aircraft. The Committee allowance is based on reducing funds for nonrecurring costs and support equipment. The budget request includes an increase of $76,200,000 for support equipment without sufficient justification. Budget constraints cause the Committee to recommend the reduced level. The House fully funded this program.

F/A–18 fighter.—The Committee recommends $2,248,710,000 for 84 F/A–18 aircraft, a reduction of $67,900,000 from the request and the same as the House allowance. The funding level assumes cost savings in 1988 due to favorable negotiations on the 1987 contract award.

E–2C early warning aircraft.—The Committee recommends $350,160,000 for six E–2C aircraft. This is a reduction of $20,000,000 from the budget request, based on pricing assumptions and the same as the House allowance. In 1988, the Navy has changed its pricing methodology for the E–2C, no longer assuming any foreign military sales. The Committee recommendation lowers the allowance assuming that the new Navy pricing assumption overstate the actual cost of the program.

EX competition and S–3 modifications.—The budget request includes $179,815,000 for a new program to buy 10 aircraft to replace the

EA–3B aircraft. The Navy has reconsidered this plan and now plans to modify existing S–3 aircraft to perform this mission. The Committee recommendation eliminates funds for the EX program and increases the allocation for ES–3 modifications by $115,000,000. This position is the same as recommended by the Committees on Armed Services.

E–6A aircraft.—The Committee recommends a reduction of $78,100,000 and one aircraft from the E–6A program. This recommendation will close out production of E–6A aircraft after procuring sufficient numbers for one E–6A squadron. In conjunction with this recommendation, the Committee makes no allowance for E–6A advance procurement, a reduction of $137,716,000 from the budget request. The reduction assumes the Navy will continue to use EC–130 aircraft to meet its additional requirements.

The House provided funds for three aircraft and advance procurement for fiscal year 1989.

AH–1W.—The Committee recommendation reduces the request for AH–1W helicopter program by $72,663,000. This is a reduction of 10 helicopters from the budget request. The House provided $225,550,000 for 34 aircraft, an increase of 12 aircraft and $52,887,000 above the budget.

SH–2F.—The Committee supports the House recommendation which deletes $1,649,000 for the SH–2F program.

C–2.—The budget request includes $5,776,000 for termination costs on the C–2 program. The House eliminated this funding. The Committee concurs with the House position.

MODIFICATION OF AIRCRAFT

A–6 modifications.—The Committee recommends $219,478,000 for A–6 modifications. This is an increase of $86,500,000 for A–6 rewinging. Wing stress cracks on A–6 aircraft necessitate the additional funds to fix cracks which seriously impair the ability of the A–6 aircraft to perform its mission. The Committee recommendation is the same as the authorized level and the House allowance.

H–2 modifications.—Within the amounts appropriated, the Committee recommends $19,608,000 to procure six H–2 block upgrade kits for modification of H–2 helicopters. Upgrading H–2 antisubmarine warfare assets is a low-risk program to increase mission effectiveness for most of the active fleet and all of the reserve fleet ASW capability. By this action, the Committee expects an acceleration of 2 to 3 years for upgraded unit deployment.

Spare and repair parts.—The Committee recommends $1,433,000,000 for purchase of spare parts. This is a reduction of $78,913,000 from the budget request. The allowance is consistent with the changes in initial spare requirements for the A–6, EX, and AH–1W programs based on reduced quantity purchases and includes cost savings in F/A–18 spares requirements and replenishment spares. The House reduced spare parts funding by $75,000,000.

Common ground equipment.—The Committee recommends $413,606,000 for common ground equipment, the same as the House allowance. This is a reduction of $22,500,000 based on a GAO review of program requirements.

War consumables.—The Committee recommends $40,000,000 for war consumables, a reduction of $3,978,000 from the budget request. The allowance is the same as the authorization level.

Common electronic countermeasures equipment.—The Defense Authorization Act for 1988 and 1989 increased funds for common electronics countermeasures equipment by $50,000,000. The Committee does not concur with this increase. It is the understanding of the Committee that these funds would be used for purchase of AN/ALR–67. The Committee does not support this initiative. The Committee believes that the Navy should exercise its option on the ALQ–126B countermeasure system and believes funds are sufficient within the total amounts recommended for Navy aircraft procurement to accommodate this program. The Committee believes that funds from other countermeasures systems such as the airborne self-protection jammer should be used to provide for the increase for the ALQ–126B system.

WEAPONS PROCUREMENT, NAVY

1987 appropriation	$5,290,847,000
1988 budget estimate	6,502,332,000
House allowance	5,365,860,000
Committee recommendation	5,944,502,000

The Committee recommends an appropriation of $5,944,502,000, a decrease of $557,830,000 below the President's budget request and $578,642,000 more than the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of strategic and tactical missiles, torpedoes, other weapons, and related support equipment, including spare parts and accessories; and expansion of public and private plants.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
E-2C (EARLY WARNING) HAWKEYE	6	370,160	6	370,160	6	350,160	6	350,160	-20,000	---
E-2C (EARLY WARNING) HAWKEYE (AP-CY)	--	30,035	--	30,035	--	30,035	--	30,035	---	---
SH-2F (ASW HELO) SEASPRITE	--	1,649	--	---	--	---	--	---	-1,649	---
TOTAL, COMBAT AIRCRAFT		6,449,226		5,954,028		6,165,470		5,414,974	-1,034,252	-750,496
AIRLIFT AIRCRAFT										
BA-2 AIRLIFT AIRCRAFT										
C-2 (MYP)	--	5,776	--	---	--	---	--	---	-5,776	---
TOTAL, AIRLIFT AIRCRAFT		5,776		---		---		---	-5,776	---
TRAINER AIRCRAFT										
BA-3 TRAINER AIRCRAFT										
T-45TS GOSHAWK	12	328,758	12	328,758	12	328,758	12	328,758	---	---
T-45TS GOSHAWK (AP-CY)	--	29,452	--	29,452	--	29,452	--	29,452	---	---
TOTAL, TRAINER AIRCRAFT		358,210		358,210		358,210		358,210	---	---
OTHER AIRCRAFT										
BA-4 OTHER AIRCRAFT										
E-6A	3	189,202	2	126,135	3	174,202	2	111,100	-78,102	-63,102

E-6A (AP-CY)	--	137,716	--	137,716	--	137,716	--	---	-137,716	-137,716
HH-60H	3	42,525	3	42,525	9	103,000	3	42,525	---	-60,475
VH-60	--	---	--	---	--	---	--	---	---	---
TOTAL, OTHER AIRCRAFT		369,443		306,376		414,918		153,625	-215,818	-261,293
MODIFICATION OF AIRCRAFT										
BA-5 MODIFICATION OF AIRCRAFT										
A-3 SERIES	--	969	--	969	--	969	--	969	---	---
A-4 SERIES	--	6,149	--	6,149	--	6,149	--	6,149	---	---
A-6 SERIES (MYP)	--	132,978	--	219,651	--	219,478	--	219,478	+86,500	---
EA-6 SERIES	--	21,274	--	21,274	--	21,274	--	21,274	---	---
A-7 SERIES	--	97	--	97	--	97	--	97	---	---
AV-8 SERIES	--	97	--	97	--	97	--	97	---	---
F-4 SERIES	--	97	--	97	--	97	--	97	---	---
RF-4 SERIES	--	97	--	97	--	97	--	97	---	---
F-14 SERIES	--	83,334	--	83,334	--	83,334	--	83,334	---	---
F-8 SERIES	--	---	--	---	--	---	--	---	---	---
F-5 SERIES	--	97	--	97	--	97	--	97	---	---
OV-10 SERIES	--	1,974	--	1,974	--	1,974	--	1,974	---	---
F-16N SERIES	--	---	--	5,000	--	5,000	--	---	---	-5,000
F-18 MODS	--	1,995	--	1,995	--	1,995	--	1,995	---	---
H-46 SERIES	--	29,801	--	47,901	--	29,801	--	29,801	---	---
H-53 SERIES	--	22,737	--	47,737	--	22,737	--	22,737	---	---
SH-60 SERIES	--	1,058	--	1,058	--	14,058	--	1,058	---	-13,000
H-1 SERIES	--	6,326	--	47,326	--	6,826	--	6,826	---	---
H-2 SERIES	--	19,608	--	45,108	--	45,108	--	19,608	---	-25,500
H-3 SERIES	--	26,229	--	26,229	--	26,229	--	26,229	---	---
EP-3 SERIES	--	47,003	--	47,003	--	47,003	--	47,003	---	---
P-3 SERIES	--	127,365	--	172,865	--	136,865	--	127,365	---	-9,500
S-3 SERIES	--	74,772	--	142,522	--	74,772	--	74,772	---	---
ES-3 SERIES	--	---	--	115,200	--	50,000	--	115,200	+115,200	+65,200
E-2 SERIES	--	22,439	--	71,139	--	39,639	--	22,439	---	-17,200

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
TRAINER A/C SERIES	--	1,635	--	1,635	--	1,635	--	1,635	---	---
EC-130 SERIES	--	7,367	--	7,367	--	7,367	--	7,367	---	---
C-130 SERIES	--	4,550	--	4,550	--	44,550	--	4,550	---	-40,000
FEWSG	--	3,380	--	3,380	--	3,380	--	3,380	---	---
CARGO/TRANSPORT A/C SERIES	--	2,163	--	2,163	--	2,163	--	2,163	---	---
VARIOUS	--	1,004	--	1,004	--	1,004	--	1,004	---	---
POWER PLANT CHANGES	--	3,163	--	3,163	--	3,163	--	3,163	---	---
MISC FLIGHT SAFETY CHANGES	--	823	--	823	--	823	--	823	---	---
COMMON ECM EQUIPMENT	--	16,708	--	66,708	--	16,708	--	16,708	---	---
COMMON AVIONICS CHANGES	--	765	--	765	--	---	--	765	---	+765
TOTAL, MODIFICATION OF AIRCRAFT		668,554		1,196,477		914,489		870,254	+201,700	-44,235
AIRCRAFT SPARES AND REPAIR PARTS										
BA-6 AIRCRAFT SPARES										
SPARES AND REPAIR PARTS	--	1,511,913	--	1,532,113	--	1,436,913	--	1,433,000	-78,913	-3,913
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
BA-7 AIRCRAFT SUPPORT EQUIPMENT AND FAC										
COMMON GROUND EQUIPMENT	--	436,106	--	436,106	--	413,606	--	413,606	-22,500	---
AIRCRAFT INDUSTRIAL FACILITIES	--	25,998	--	25,998	--	25,998	--	25,998	---	---
WAR CONSUMABLES	--	43,978	--	40,000	--	34,923	--	40,000	-3,978	+5,077
OTHER PRODUCTION CHARGES	--	29,567	--	29,567	--	29,567	--	29,567	---	---

SPECIAL SUPPORT EQUIPMENT............................	--	26,112	--	26,112	--	86,112	--	26,112	---	-60,000
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES....		561,761		557,783		590,206		535,283	-26,478	-54,923
INFLATION SAVINGS, FY87..............................	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE.................................	--	---	--	---	--	---	--	---	---	---
DRUG SUPPLEMENTAL....................................	--	---	--	---	--	---	--	---	---	---
GENERAL REDUCTION....................................	--	---	--	-300,000	--	-300,000	--	---	---	+300,000
(BY TRANSFER)..	--	---	--	(300,000)	--	---	--	---	---	---
TOTAL, AIRCRAFT PROCUREMENT, NAVY....................		9,924,883		9,604,987		9,580,206		8,765,346	-1,159,537	-814,860
TRANSFER FROM OTHER ACCOUNTS..................		---		(300,000)		---		---	---	---
TOTAL FUNDING AVAILABLE........................		9,924,883		9,904,987		9,580,206		8,765,346	-1,159,537	-814,860

COMMITTEE RECOMMENDED ADJUSTMENTS

OTHER MISSILES

Tomahawk cruise missile.—The Navy has requested $915,936,000 to procure 475 Tomahawk sea-launched cruise missiles in fiscal year 1988. The House recommended $787,211,000, a reduction of $128,725,000 from the budget request.

The Navy is experiencing testing delays with the conventional dispenser variant (block IIB) of the Tomahawk, resulting in a significant slip in the initial operational capability [IOC] of the system.

The Committee recommends the reduction of 72 missiles and $140,000,000 identified in the budget as block IIB missile variants. Further, the Committee recommends a reduction of $6,606,000 in the advance procurement line reflecting the reduced missile buy.

TACTICAL MISSILES

AIM-7 F/M Sparrow missile.—The President's budget did not request funds for the procurement of Sparrow missiles for the Navy in fiscal year 1988. The House recommended $90,000,000 for the procurement of 600 Sparrows.

The Committee agrees with the House direction. The Committee is concerned with the delays in the AMRAAM program, and feel these delays necessitate insuring a warm production base for radar homing missiles. However, the Committee does not agree with the funding level recommended by the House, noting that the cost of Sparrow missiles has come down as a result of competition, which will be further enhanced by the addition of 600 missiles to the total Sparrow missile buy for fiscal year 1988. The Committee, therefore, recommends $79,000,000 for the procurement of 600 Sparrow missiles, a reduction of $11,000,000 from the House recommendation.

AIM-9L/M Sidewinder missile.—The Navy requested $43,320,000 to procure 288 Sidewinder missiles in fiscal year 1988. The House recommended a reduction of $17,487,000 from the budget request as a result of favorable contract negotiation. The Committee agrees with the House recommendation and approves $25,833,000 to procure 288 missiles.

AIM-54A/C Phoenix missile.—The administration requested $397,996,000 to procure 430 AIM-54C Phoenix missiles for fiscal year 1988. This is an increase of $130,724,000 and 225 missiles over the fiscal year 1987 appropriated levels. The House recommended $359,897,000 to procure 430 missiles, a reduction of $38,099,000 from the budget request.

The Phoenix missile program continues to have serious production problems. The prime contractor is currently 8 months behind in deliveries from the original production schedules. In addition, no Phoenix missiles are being delivered to the fleet because of technical problems with components. Since current production missiles are being stockpiled until the technical problems are resolved, there is over 1 year's backlog of missiles sitting at the contractors plant waiting to be reworked. The

Committee recommends holding the prime contractor to their fiscal year 1987 production level of 149 missiles. Further, because of the subcomponent rework problems and for budgetary reasons, the Committee further recommends the proposed buy of 180 missiles to continue bringing on a second source be reduced to 149 missiles. The Committee appropriates $327,296,000 for 298 missiles for fiscal year 1988.

Harpoon missile.—The Navy requested $110,660,000 in procurement and $51,034,000 in advance procurement to support a 124-Harpoon missile buy in fiscal year 1988 and beyond. The House recommended $102,284,000 in procurement, a reduction of $8,376,000, no funds for advance procurement, and denied the multiyear request. This multiyear contract would complete the Harpoon programmed buy.

The GAO reviewed the Navy's proposal and concluded that the Harpoon program does not meet the stable funding criterion necessary for multiyear approval. Further, since the SLAM variant of the Harpoon constitutes almost one-third of the total planned multiyear procurement and since it is still in development, the proposed multiyear also fails to meet the stable design criterion necessary for multiyear approval. The Committee, therefore, denies the multiyear request and reduces the advance procurement line by $20,034,000.

Harm missile.—The Navy requested $194,728,000 to support a 766-Harm missile buy in fiscal year 1988. The House recommended the full budget request.

The Committee recommends an allowance of $187,128,000 for the requested 766 missiles. The revised pricing is a result of a 1988 option negotiated within the 1987 contract award which is below the Navy budget estimates. Combined with the Air Force program and projected foreign military sales, this funding level will sustain the 1986 and 1987 production rates of approximately 210 missiles per month.

The Navy has advised the Committee it is considering second sourcing of the missile's control section. The Committee encourages the Navy to move quickly to that end and expects the Navy to award a second source educational buy in 1989 and fully compete the control section in 1990.

Stinger missile.—The Navy requested $21,072,000 to procure 425 Stinger missiles in fiscal year 1988. The House has recommended $17,765,000 to support the 425-missile buy, a reduction of $3,307,000 from the budget request.

The Committee also recommends deletion of $3,307,000 identified by GAO as excess to the fiscal year 1988 program requirements.

Laser Maverick missile.—The Navy requested $111,807,000 in fiscal year 1988 for procurement of 1,099 laser Maverick missiles. The House has approved $8,700,000, a reduction of $103,107,000 from the budget request.

Since the budget submission, the Navy has informed the Committee operational testing problems have further delayed the combined fiscal years 1986 and 1987 contract awards. As a result, the Navy intends to delay the fiscal year 1988 contract award until April 1989.

The Committee notes Congress has appropriated a total of $317,000,000 for the procurement of 3,300 missiles in fiscal years 1986 and 1987. The Navy's original acquisition strategy called for a buildup to a maximum production rate of 150 per month or 1,800 missiles per year. The Committee recommended the Navy adhere to their original production schedule and, therefore, denies the Navy's fiscal year 1988 request.

IIR Maverick missile.—The Navy requested $103,458,000 for the procurement of 601 IIR Maverick missiles. The House has recommended $65,790,000 for the procurement of 425 missiles, a reduction of $37,668,000 and 176 missiles from the budget request.

The Committee's recommendation of $55,458,000 for 425 missiles, when combined with the proposed Air Force program, holds the production rate to the fiscal year 1987 levels. This dollar reduction also reflects a significant savings over the budget as a result of competition.

TORPEDOES AND RELATED EQUIPMENT

Advance lightweight torpedo, MK-50.—The Navy requested $222,402,000 in fiscal year 1988 for procurement of 153 advance lightweight torpedoes. Testing delays have caused the Navy to restructure the program, resulting in a reduced procurement requirement for fiscal year 1988. The Navy's revised request is $108,402,000 for procurement, a reduction of $114,000,000 from the request. The House recommended $40,000,000 for the fiscal year 1988 program, a reduction of $182,402,000 from the budget request.

The Committee has also been informed of increased RDT&E requirements within the restructured program. The Committee recommends $140,600,000 for advance lightweight torpedo RDT&E, an increase of $55,428,000 over the budget request.

The Committee understands there may be substantial savings to be gained if the Navy would breakout the MK-50 torpedoes boiler, part of the closed-loop propulsion system, and provide this subsystem as Government furnished equipment [GFE] to the prime contractors. The Committee encourages the Navy to explore this cost-savings alternative and requests the Navy to provide to the Committees on Appropriations, by April 15, 1988, an analysis of the potential savings as a result of the proposed breakout and the Navy's plans to implement such a program.

Vertical launched ASROC.—The Navy requested $57,521,000 in fiscal year 1988 for procurement of 260 vertically launched antisubmarine rockets [ASROC]. The House has denied the Navy's fiscal year 1988 request.

The Navy has informed the Committee that the program is experiencing flight test problems forcing the Navy to restructure the program. Within the restructured program, there is no procurement funding required in fiscal year 1988.

The Committee further recommends $44,975,000 in fiscal year 1988 for vertically launched ASROC RDT&E, an increase of $26,500,000 over the budget request.

MK-46 torpedoes.—The House has included report and bill language which prohibits the obligation of any weapons procurement, Navy, fiscal year 1988 funds until the third year of a MK-46 torpedo multiyear procurement contract is awarded.

The Committee strongly disagrees with the House's legislative prohibition and notes there are high-priority Navy weapon systems which would be seriously delayed if this language were enacted into law.

OTHER WEAPONS

MK-19 grenade launcher.—The Navy requested $1,201,000 for the production of 64 MK-19 grenade launchers in fiscal year 1988. The House has denied the Navy's full fiscal year 1988 budget request.

The Committee notes deliveries on prior-year contracts have slipped and, therefore, also denies the Navy's fiscal year 1988 procurement request.

SPARES AND REPAIR PARTS

Spares.—The Navy requested $129,728,000 for weapons procurement spares and repair parts in fiscal year 1988. The House recommended funding $119,181,000, a reduction of $10,547,000 from the budget request.

The Committee recommends a reduction of $2,700,000 identified as initial spares and repair parts for the laser Maverick and the MK-50 advance lightweight torpedo programs recommended for deferral by the Navy in fiscal year 1988.

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Trident II missiles	1,931,344	1,462,344	1,931,344
Rolling airframe missiles	44,931	24,931	44,931
Aerial targets	92,804	104,104	92,804
Fleet satellite communications	213,858	123,858	213,858
Captor modifications	11,825	38,000	11,825

AUTHORIZATION CHANGES

The Committee recommends the following adjustments in accordance with authorization conference action:

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
WEAPONS PROCUREMENT, NAVY										
BALLISTIC MISSILES										
POSEIDON	--	181	--	181	--	181	--	181	---	---
TRIDENT I	--	6,986	--	6,986	--	6,986	--	6,986	---	---
TRIDENT II	66	1,931,344	72	1,931,344	32	1,462,344	66	1,931,344	---	+469,000
TRIDENT II (AP-CY)	--	319,987	--	319,987	--	319,987	--	319,987	---	---
MODIFICATION OF MISSILES										
UGM-73A (C-3) POSEIDON MODS	--	---	--	---	--	---	--	---	---	---
SUPPORT EQUIPMENT AND FACILITIES										
MISSILE INDUSTRIAL FACILITIES	--	194	--	194	--	194	--	194	---	---
TOTAL, BALLISTIC MISSILES		2,258,692		2,258,692		1,789,692		2,258,692	---	+469,000
OTHER MISSILES										
STRATEGIC MISSILES										
BGM-109 TOMAHAWK	475	915,936	475	787,211	475	787,211	403	775,936	-140,000	-11,275
BGM-109 TOMAHAWK (AP-CY)	--	78,006	--	78,006	--	71,400	--	71,400	-6,606	---
TACTICAL MISSILES										
AIM/RIM-7 F/M SPARROW	--	---	600	99,100	600	90,000	600	79,000	+79,000	-11,000
AIM-9L/M SIDEWINDER	288	43,320	288	25,833	288	25,833	288	25,833	-17,487	---
AIM-54A/C (PHOENIX)	430	397,996	430	358,396	430	359,897	298	327,296	-70,700	-32,601
AIM-54A/C (PHOENIX) (AP-CY)	--	---	--	---	--	---	--	---	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
SGM-84A HARPOON (MYP)	124	110,660	124	110,660	124	102,284	124	110,660	---	+8,376
SGM-84A HARPOON (MYP) (AP-CY)	--	51,034	--	---	--	---	--	31,000	-20,034	+31,000
AGM-88A HARM (MYP)	766	194,728	766	194,728	766	194,728	766	187,128	-7,600	-7,600
SM-2 MR	1,150	583,098	1,500	715,098	1,150	583,098	1,150	583,098	---	---
SM-2 ER	--	---	--	---	--	---	--	---	---	---
RAM	240	44,931	240	44,931	120	24,931	240	44,931	---	+20,000
STINGER	425	21,072	425	17,765	425	17,765	425	17,765	-3,307	---
SIDEARM	276	25,381	276	25,381	276	25,381	276	25,381	---	---
HELLFIRE	1,393	44,154	1,393	44,154	1,393	44,154	1,393	44,154	---	---
LASER MAVERICK	1,099	111,807	99	9,307	--	8,700	--	---	-111,807	-8,700
IIR MAVERICK (MYP)	601	103,458	425	65,790	425	65,790	425	55,458	-48,000	-10,332
PENGUIN (AP-CY)	--	3,455	--	3,455	--	3,455	--	3,455	---	---
AERIAL TARGETS	--	92,804	--	104,104	--	104,104	--	92,804	---	-11,300
DRONES AND DECOYS	--	63,634	--	24,767	--	24,767	--	24,767	-38,867	---
OTHER MISSILE SUPPORT	--	19,157	--	19,157	--	19,157	--	19,157	---	---
MODIFICATION OF MISSILES										
TOMAHAWK MODS	--	6,458	--	6,458	--	6,458	--	6,458	---	---
AIM/RIM-7E/F SPARROW MOD	--	---	--	---	--	---	--	---	---	---
AIM-9 SIDEWINDER MOD	--	773	--	773	--	773	--	773	---	---
AIM-54A/C PHOENIX MOD	--	584	--	584	--	584	--	584	---	---
AGM-84A HARPOON MOD	--	3,865	--	3,865	--	3,865	--	3,865	---	---
STANDARD MISSILES MOD	--	3,833	--	3,833	--	3,833	--	3,833	---	---
SUPPORT EQUIPMENT AND FACILITIES										
WEAPONS INDUSTRIAL FACILITIES	--	6,216	--	9,216	--	6,216	--	9,216	+3,000	+3,000

FLEET SATELLITE COMMUNICATIONS........................	--	213,858	--	123,858	--	123,858	--	213,858	---	+90,000
DEFENSE METEOROLOGICAL SATELLITE PROGRAM..............	--	19,333	--	19,333	--	19,333	--	19,333	---	---
ORDNANCE SUPPORT EQUIPMENT										
ORDNANCE SUPPORT EQUIPMENT............................	--	218,436	--	218,436	--	218,436	--	218,436	---	---
TOTAL, OTHER MISSILES.................................		3,377,987		3,114,199		2,936,011		2,995,579	-382,408	+59,568
TORPEDOES AND RELATED EQUIPMENT										
TORPEDO MK-48 ADCAP...................................	100	243,444	100	243,444	100	243,444	100	243,444	---	---
TORPEDO MK-46 (MYP)...................................	--	---	--	---	--	---	--	---	---	---
TORPEDO MK-46 (MYP) (AP-CY)...........................	--	---	--	---	--	---	--	---	---	---
ADV LIGHTWEIGHT TORPEDO...............................	153	222,402	60	108,402	--	40,000	16	108,402	-114,000	+68,402
MOBILE TARGET MK-30 (MYP).............................	12	31,495	12	31,495	12	31,495	12	31,495	---	---
ASROC...	--	9,522	--	9,522	--	9,522	--	9,522	---	---
VERTICAL LAUNCHED ASROC...............................	260	57,521	--	---	--	---	--	---	-57,521	---
MOD OF TORPEDOES AND RELATED EQUIP										
MOBILE MINE MK-67.....................................	--	2,858	--	2,858	--	2,858	--	2,858	---	---
TORPEDO MK-46 MODS....................................	--	---	--	---	--	---	--	---	---	---
TORPEDO MK-46 MODS (AP-CY)............................	--	---	--	---	--	---	--	---	---	---
CAPTOR MODS...	102	11,825	102	11,825	401	38,000	102	11,825	---	-26,175
SWIMMER WEAPON SYSTEM.................................	--	1,332	--	1,332	--	1,332	--	1,332	---	---
SUPPORT EQUIPMENT										
TORPEDO SUPPORT EQUIPMENT.............................	--	33,348	--	33,348	--	33,348	--	33,348	---	---
ASW RANGE SUPPORT.....................................	--	20,638	--	20,638	--	20,638	--	20,638	---	---
TOTAL, TORPEDOES AND RELATED EQUIPMENT..............		634,385		462,864		420,637		462,864	-171,521	+42,227

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
OTHER WEAPONS										
GUNS AND GUN MOUNTS										
MK-15 CLOSE IN WEAPONS SYSTEM	5	28,023	5	28,023	5	28,023	5	28,023	---	---
MK-75 76MM GUN MOUNT	--	---	--	---	--	---	--	---	---	---
MK-19/40MM MACHINE GUN	64	1,201	64	1,201	--	---	--	---	-1,201	---
25MM GUN MOUNT	22	4,091	22	4,091	22	4,091	22	4,091	---	---
SMALL ARMS AND WEAPONS	--	9,568	--	9,568	--	9,568	--	9,568	---	---
MODIFICATION OF GUNS AND GUN MOUNTS										
CIWS MODS	--	45,186	--	45,186	--	45,186	--	45,186	---	---
5"/54 GUN MOUNT MODS	--	6,414	--	6,414	--	6,414	--	6,414	---	---
3"/50 GUN MOUNT MODS	--	275	--	275	--	275	--	275	---	---
MK 75 76MM GUN MOUNT MODS	--	4,060	--	4,060	--	4,060	--	4,060	---	---
MODS UNDER $2,000,000	--	1,654	--	1,654	--	1,654	--	1,654	---	---
SUPPORT EQUIPMENT										
GUN SUPPORT EQUIPMENT	--	1,068	--	1,068	--	1,068	--	1,068	---	---
TOTAL, OTHER WEAPONS		101,540		101,540		100,339		100,339	-1,201	---
SPARES AND REPAIR PARTS	--	129,728	--	129,728	--	119,181	--	127,028	-2,700	+7,847
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---

GENERAL REDUCTION, PY SAVINGS........................	--	---	--	-78,000	--	---	--	---	---	---
(BY TRANSFER)..	--	---	--	(78,000)	--	---	--	---	---	---
TOTAL, WEAPONS PROCUREMENT, NAVY.....................		6,502,332		5,989,023		5,365,860		5,944,502	-557,830	+578,642
TRANSFER FROM OTHER ACCOUNTS..................		---		(78,000)		---		---	---	---
TOTAL FUNDING AVAILABLE.......................		6,502,332		6,067,023		5,365,860		5,944,502	-557,830	+578,642

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Drones and decoys	63,634	24,767	-38,867
Weapons industrial facilities	6,216	9,216	+3,000

SHIPBUILDING AND CONVERSION, NAVY

1987 appropriation	$10,210,989,000
1988 budget estimate	11,065,355,000
House allowance	8,171,655,000
Committee recommendation	16,234,255,000

The Committee recommends an appropriation of $16,234,255,000. This is an increase of $5,168,900,000 from the budget estimate and $8,062,600,000 above the House allowance.

This appropriation finances the construction, acquisition, or conversion of vessels, including armor and armament, plant equipment, appliances, and machine tools for production plants and facilities; and procurement of long leadtime components and designs of vessels.

The President requested $11,065,355,000 for construction of 14 combatant ships, 5 auxiliary ships, 1 carrier service life extension, and other ancillary shipbuilding costs. The request is three combatants more than the average provided in the 1980's and two fewer auxiliaries. Shipbuilding funding has remained relatively stable throughout the decade, with a significant increase in 1983 to cover the cost of two aircraft carriers. Aside from this anomoly, shipbuilding has hovered between $10,000,000,000 and $12,000,000,000 annually. The request for fiscal year 1988 is $800,000,000 above the 1987 appropriated level, approximately 4 percent real growth.

The following table displays ship construction levels throughout the 1980's including the fiscal year 1988 request:

[In billions of dollars]

	Fiscal year—								
	1980	1981	1982	1983	1984	1985	1986	1987	1988
Ships:									
Trident submarines	1	1		1	1	1	1	1	1
Major warships	4	4	6	8	7	8	8	9	9
Other warships	5	7	5	4	7	6	6		5
Subtotal combatants	10	12	11	13	15	15	15	10	15
Auxiliaries	1	5	13	2	7	9	8	11	5
Landing craft					15	9	12		
Total ships	11	17	24	15	37	33	35	21	20
Funding	6.4	7.2	8.0	14.5	10.7	10.7	9.6	10.1	11.1

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

FLEET BALLISTIC MISSILE SHIPS

Trident.—The budget request includes $1,193,700,000 for one Trident submarine. The Committee recommends $1,123,700,000 for this program. The recommendation is based on assumed savings from competition in the Trident program and lowered requirements based on actual costs in previous Tridents.

The contract award for the Trident program in 1987 shows an asset of $47,000,000 from the appropriated level. In addition to this declining cost, the Navy request does not assume savings from competition. Since the Navy plans to compete the award in 1988, it is likely the competitive pressures will reduce the costs below what is requested in the budget. The recommended allowance is the same as the amount provided by the House.

OTHER WARSHIPS

Aircraft carriers.—The budget request includes $644,000,000 for advance procurement for the first of two new nuclear powered aircraft carriers. The request is for the nuclear components of the first aircraft carrier. The House provided $617,000,000 for this effort.

The Committee recommends $6,325,000,000 for the purchase of two replacement aircraft carriers. The recommendation is consistent with Navy plans to maintain a heel-to-toe production schedule for aircraft carriers which will provide savings of some $1,600,000,000. The funding will allow the Navy to initiate production of the carriers in fiscal year 1988.

The Committee recommendation is in conjunction with the deactivation of the CV–41, the U.S.S. *Midway*, as discussed elsewhere. Retirement of older carriers such as the *Midway* which have outlived their useful service life, in conjunction with the acquisition of new modern vessels, is one way to improve the effectiveness of the naval forces at reduced cost.

The decision to deactivate the *Midway* will reduce current aircraft carriers to 15, of which 13 are deployable. The delivery of the CVN–72 will restore current levels by 1989. Funding provided here for new carriers will allow replacement of additional aging carriers.

SSN–688 attack submarines.—The Committee recommends $1,459,400,000 for three SSN–688 attack submarines. This is $60,000,000 below the budget request and the same as the authorization level and the House.

Aegis ships.—The Committee recommends $4,127,000,000 for construction of five Aegis cruisers (CG–47). The budget includes $1,926,500,000 for two CG–47's and $2,122,300,000 for three DDG–51 destroyers. Because of delays in the destroyer program all four oversight committees recommend no funds for destroyers.

The proposed allowance would buy out the five remaining cruisers in the current Navy requirement providing savings in excess of $138,000,000 per ship compared to the budget request. In addition, the recommendation continues the current economic rate of production of five Aegis ships per year (cruisers and destroyers).

The House allowance provides for two cruisers leaving three cruisers to be funded in the future and reducing the overall rate of production of Aegis ships. The House position will increase the cost of these ships because of the impact of business base reductions at the two competing shipyards. The Committee believes it is prudent and cost effective to support the continuation of the five Aegis ship production level.

In relation to the above recommendations, the Committee is providing no advance procurement for additional cruisers, a reduction of $11,000,000 from the budget request. The Committee also recommends a reduction of $69,100,000 from the DDG-51 advance procurement request, the authorization amount, and the same as proposed by the House.

LHD-1 amphibious assault ship.—The Committee recommends $720,700,000 for the construction of one LHD-1 amphibious assault ship. This is $20,000,000 below the budget request. The allowance is based on estimated savings consistent with the award of the 1986 LHD-1 class ship. The recommended funding is $49,300,000 more than the House allowance.

MINE WARFARE SHIPS

Mine countermeasure ships.—The Committee recommends no funds for mine countermeasure [MCM] ships consistent with action by both authorization and the House. The Committee is concerned with the U.S. minesweeping capabilities and the serious shortfall in the mine warfare ship inventory, but does not support the funds in 1988 because of continuing problems with the MCM program.

Mine countermeasures for U.S. ports.—The House included report language which directs the Navy to study the feasibility and cost effectiveness of equipping YP-683 yard craft with a lightweight off-the-shelf mine countermeasures system. The Committee agrees with the need to provide mine detection and sweeping capabilities between the pier and the sea buoy. As such, it requests the Navy to examine the requirement to provide for shallow water mine warfare coverage, and to report to the Committees on Appropriations by May 1, 1988, recommending how the threat to domestic ports can be met cost effectively, whether a YP-683 or other vessel can be equipped to perform this mission, the likely cost of meeting the requirement, the total number of required vessels, and the viability of the Naval Reserve to perform this mission.

AUXILIARY SHIPS

TAO fleet oiler.—The budget request includes $279,100,000 for construction of two TAO oilers ships. The Committee recommends $269,100,000 for this effort. This is a reduction of $10,000,000 from the request. The Committee notes with concern that the fiscal year 1985 TAO ships are experiencing cost growth from earlier estimates. Nonetheless, the award of the fiscal year 1987 ships demonstrate that a savings of $10,000,000 is achievable in this program. The House recommended $256,400,000 for this program.

OTHER ADJUSTMENTS

Air cushion landing craft [LCAC].—The Committee recommends $36,500,000 for advance procurement of air cushion landing craft. This is $7,200,000 below the budget request and $2,800,000 above the House allowance. The recommended funding provides $2,800,000 for detail design for an arctic configured LCAC and accepts the House reduction of $10,000,000.

Sealift enhancement.—The Navy requested $17,800,000 to modify commercial vessels for Navy missions. This program was deferred last year. Given financial constraints, the Committee recommends no funds in fiscal year 1988 for this program. This is the same as the House allowance.

Outfitting and post delivery.—The Committee recommends reductions of $19,000,000 and $8,900,000 from outfitting and post delivery, respectively, based on delays in SSN–688 and surface ship deliveries.

Other House adjustments.—The House denied funds for construction of TACS crane ships, and reduced funds for the LSD–41 Cargo Variant Program. The Committee disagrees with the House position and recommends full funding for these efforts.

OTHER PROCUREMENT, NAVY

1987 appropriation	$6,033,371,000
1988 budget estimate	4,983,827,000
House allowance	5,012,295,000
Committee recommendation	4,722,334,000

The Committee recommends an appropriation of $4,722,334,000, a decrease of $261,493,000 below the President's budget and $289,961,000 less than the House allowance.

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Equipments range from the latest electronic sensors for updating of naval forces to trucks, training equipment, and spare parts.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
SHIPBUILDING AND CONVERSION, NAVY										
FLEET BALLISTIC MISSILE SHIPS										
BA-1 FLEET BALLISTIC MISSILE SHIPS										
TRIDENT (NUCLEAR)	1	1,193,700	1	1,153,700	1	1,123,700	1	1,123,700	-70,000	---
TRIDENT (NUCLEAR) (AP-CY)	--	137,100	--	137,100	--	137,100	--	137,100	---	---
TOTAL, FLEET BALLISTIC MISSILE SHIPS		1,330,800		1,290,800		1,260,800		1,260,800	-70,000	---
OTHER WARSHIPS										
BA-2 OTHER WARSHIPS										
CVN AIRCRAFT CARRIER (NUCLEAR)	--	644,000	--	644,000	--	617,000	2	6,325,000	+5,681,000	+5,708,000
SSN-688 CLASS SUBMARINE (NUCLEAR)	3	1,519,400	3	1,459,400	3	1,459,400	3	1,459,400	-60,000	---
SSN-688 CLASS SUBMARINE (NUCLEAR) (AP-CY)	--	217,500	--	217,500	--	217,500	--	217,500	---	---
SSN-21 (AP-CY)	--	257,600	--	257,600	--	257,600	--	257,600	---	---
CV SLEP	1	685,655	1	685,655	1	685,655	1	685,655	---	---
CV SLEP (AP-CY)	--	44,100	--	44,100	--	44,100	--	44,100	---	---
CG-47 AEGIS CRUISER (MYP)	2	1,926,500	5	3,328,900	2	1,976,500	5	4,127,000	+2,200,500	+2,200,500
CG-47 AEGIS CRUISER (MYP) (AP-CY)	--	11,000	--	---	--	11,000	--	---	-11,000	-11,000
DDG-51 (MYP)	3	2,122,300	--	---	--	---	--	---	-2,122,300	---
DDG-51 (MYP) (AP-CY)	--	74,600	--	5,500	--	5,500	--	5,500	-69,100	---
TOTAL, OTHER WARSHIPS		7,502,655		6,642,655		5,224,255		13,121,755	+5,619,100	+7,897,500

AMPHIBIOUS SHIPS

BA-3 AMPHIBIOUS SHIPS										
LHD-1 AMPHIBIOUS ASSAULT SHIP........................	1	740,700	1	720,700	1	671,400	1	720,700	-20,000	+49,300
LHD-1 AMPHIBIOUS ASSAULT SHIP (AP-CY)................	--	32,200	--	32,200	--	32,200	--	32,200	---	---
LSD-41 CARGO VARIANT.................................	1	324,200	1	324,200	1	258,000	1	324,200	---	+66,200
TOTAL, AMPHIBIOUS SHIPS..............................		1,097,100		1,077,100		961,600		1,077,100	-20,000	+115,500

MINE WARFARE AND PATROL SHIPS

BA-4 MINE WARFARE + PATROL SHIPS										
MCM MINE COUNTERMEASURES SHIP........................	3	297,300	--	---	--	---	--	---	-297,300	---

AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR

BA-5 AUXILIARIES, CRAFT + PY PROG COSTS										
TAO FLEET OILER......................................	2	279,100	2	279,100	2	256,400	2	269,100	-10,000	+12,700
AO (JUMBO)...	1	44,100	1	44,100	1	44,100	1	44,100	---	---
TAGOS SWATH SURTASS SHIPS............................	--	---	2	96,500	--	---	--	---	---	---
AOE..	--	---	--	---	--	---	--	---	---	---
OCEANOGRAPHIC RESEARCH SHIP..........................	--	---	--	---	--	---	--	---	---	---
SERVICE CRAFT..	--	12,500	--	12,500	--	12,500	--	12,500	---	---
LANDING CRAFT..	--	---	--	---	--	---	--	---	---	---
STRATEGIC SEALIFT....................................	--	43,400	--	43,400	--	43,400	--	43,400	---	---
LCAC LANDING CRAFT (AP-CY)...........................	--	43,700	--	33,700	--	33,700	--	36,500	-7,200	+2,800
SEALIFT ENHANCEMENT..................................	--	17,800	--	---	--	---	--	---	-17,800	---
OUTFITTING...	--	202,900	--	195,900	--	202,900	--	183,900	-19,000	-19,000
POST DELIVERY..	--	140,900	--	132,900	--	132,000	--	132,000	-8,900	---
TACS CRANE SHIP......................................	2	53,100	2	53,100	2	---	2	53,100	---	+53,100
TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR.....		837,500		891,200		725,000		774,600	-62,900	+49,600

[in thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
GENERAL REDUCTION	--	---	--	-371,328	--	---	--	---	---	---
(BY TRANSFER)	--	---	--	(371,328)	--	---	--	---	---	---
TOTAL, SHIPBUILDING AND CONVERSION, NAVY		11,065,355		9,530,427		8,171,655		16,234,255	+5,168,900	+8,062,600
TRANSFER FROM OTHER ACCOUNTS		---		(371,328)		---		---	---	---
TOTAL FUNDING AVAILABLE		11,065,355		9,901,755		8,171,655		16,234,255	+5,168,900	+8,062,600

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
OTHER PROCUREMENT, NAVY										
SHIPS SUPPORT EQUIPMENT										
SHIP PROPULSION EQUIPMENT										
LM-2500 GAS TURBINE	--	11,852	--	11,852	--	11,852	--	11,852	---	---
ALLISON 501K GAS TURBINE	1	2,426	1	2,426	--	2,426	1	2,426	---	---
LM2500 SPECIAL SUPPORT EQUIPMENT	--	973	--	973	--	973	--	973	---	---
STEAM PROPULSION IMPROVEMENT PROGRAM	--	11,147	--	11,147	--	11,147	--	11,147	---	---
OTHER PROPULSION EQUIPMENT	--	9,864	--	9,864	--	9,864	--	9,864	---	---
GENERATORS										
OTHER GENERATORS	--	4,328	--	4,328	--	4,328	--	4,328	---	---
PUMPS										
OTHER PUMPS	--	9,195	--	9,195	--	9,195	--	9,195	---	---
AIR COMPRESSORS										
HIGH PRESSURE AIR COMPRESSOR	13	3,229	13	3,229	13	3,229	13	3,229	---	---
OTHER AIR COMPRESSORS	2	255	2	255	2	255	2	255	---	---
PROPELLERS										
SUBMARINE PROPELLERS	16	3,773	16	3,773	16	3,773	16	3,773	---	---
OTHER PROPELLERS AND SHAFTS	--	8,666	--	8,666	--	8,666	--	8,666	---	---
NAVIGATION EQUIPMENT										
ELECTRICALLY SUSPENDED GYRO NAVIGATOR	5	14,701	5	14,701	5	14,701	5	14,701	---	---
CARRIER NAVIGATION SYSTEM	--	4,873	--	4,873	--	4,873	--	4,873	---	---

OTHER NAVIGATION EQUIPMENT	--	5,143	--	5,143	--	5,143	--	5,143	---	---
UNDERWAY REPLENISH EQUIP										
UNDERWAY REPLENISHMENT EQUIPMENT	--	6,132	--	6,132	--	6,132	--	6,132	---	---
PERISCOPES										
TYPE 18 PERISCOPE	--	2,272	--	2,272	--	2,272	--	2,272	---	---
TYPE 8 PERISCOPES	--	7,626	--	7,626	--	7,626	--	7,626	---	---
PERISCOPES AND ACCESSORIES	--	859	--	859	--	859	--	859	---	---
OTHER SHIPBOARD EQUIPMENT										
FIREFIGHTING EQUIPMENT	--	14,563	--	14,563	--	13,608	--	36,563	+22,000	+22,955
COMMAND AND CONTROL SWITCHBOARDS	2	2,230	2	2,230	2	2,230	2	2,230	---	---
POLLUTION CONTROL EQUIPMENT	--	4,237	--	4,237	--	4,237	--	4,237	---	---
SUBMARINE SILENCING EQUIPMENT	--	1,240	--	1,240	--	1,240	--	1,240	---	---
SURFACE SHIP SILENCING EQUIPMENT	--	8,855	--	8,855	--	8,855	--	8,855	---	---
SUBMARINE BATTERIES	56	13,276	56	13,276	56	13,276	56	13,276	---	---
STRATEGIC PLATFORM SUPPORT EQUIPMENT	--	85,297	--	85,297	--	85,297	--	75,300	-9,997	-9,997
DSSP EQUIPMENT	--	7,879	--	7,879	--	7,879	--	7,879	---	---
SEALIFT SUPPORT EQUIPMENT	--	51,791	--	63,791	--	63,791	--	51,791	---	-12,000
AIR CONDITIONERS	--	2,152	--	2,152	--	2,152	--	2,152	---	---
MINESWEEPING CABLE	--	737	--	737	--	737	--	737	---	---
HM&E ITEMS UNDER $2 MILLION	--	35,810	--	35,810	--	35,810	--	28,500	-7,310	-7,310
SURFACE IMA	--	15,529	--	15,529	--	15,529	--	15,529	---	---
DEGAUSSING EQUIPMENT	--	1,353	--	1,353	--	1,353	--	1,353	---	---
RADIOLOGICAL CONTROLS	--	314	--	314	--	314	--	314	---	---
MINI/MICROMINI ELECTRONIC REPAIR	--	1,002	--	1,002	--	1,002	--	1,002	---	---
CHEMICAL WARFARE DETECTORS	120	9,347	120	9,347	120	9,347	120	9,347	---	---
SUBMARINE LIFE SUPPORT SYSTEM	3	2,643	3	2,643	3	2,643	3	2,643	---	---
HM&E ENGINEERED MAINTENANCE	--	391	--	391	--	391	--	391	---	---
SHIPBOARD ENERGY CONSERVATION	--	903	--	903	--	903	--	903	---	---
REACTOR PLANT EQUIPMENT										
REACTOR POWER UNITS	2	82,035	2	82,035	2	82,035	2	82,035	---	---
REACTOR COMPONENTS	--	232,039	--	232,039	--	232,039	--	232,039	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
OCEAN ENGINEERING										
DIVING AND SALVAGE EQUIPMENT...........................	--	18,208	--	18,208	--	18,208	--	18,208	---	---
NAVAL SPECIAL WARFARE EQUIPMENT......................	--	30,653	--	30,653	--	45,653	--	30,653	---	-15,000
SMALL BOATS										
SMALL BOATS..	221	17,213	221	27,213	221	27,213	209	15,200	-2,013	-12,013
TRAINING EQUIPMENT										
NEW SHIP TRAINING EQUIP................................	--	---	--	---	--	---	--	---	---	---
OTHER SHIPS TRAINING EQUIPMENT........................	--	2,404	--	2,404	--	2,404	--	2,404	---	---
PRODUCTION FACILITIES EQUIPMENT										
CALIBRATION EQUIPMENT...................................	--	576	--	576	--	576	--	576	---	---
PRODUCTION SUPPORT FACILITIES........................	--	29,105	--	29,105	--	29,105	--	18,600	-10,505	-10,505
OPERATING FORCES IPE....................................	--	4,620	--	4,620	--	4,620	--	4,620	---	---
SHIP SURVIVABILITY INITIATIVE..........................	--	---	11	64,000	--	---	--	---	---	---
TOTAL, SHIPS SUPPORT EQUIPMENT.......................		783,716		869,716		819,761		775,891	-7,825	-43,870
COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
SHIP RADARS										
AN/SPS-67..	24	7,753	24	7,753	24	7,753	24	7,753	---	---
AN/SPS-40..	--	26,108	--	26,108	--	26,108	--	26,108	---	---
AN/SPS-48..	--	47,714	--	47,714	--	45,814	--	47,714	---	+1,900
AN/SPS-49..	--	18,249	--	18,249	--	18,249	--	18,249	---	---
AN/SYS-()..	6	8,661	6	8,661	6	8,000	6	8,661	---	+661
MK 23 TARGET ACQUISITION SYSTEM.......................	4	26,347	4	26,347	4	26,347	3	19,800	-6,547	-6,547
RADAR SUPPORT..	--	12,707	--	12,707	--	11,707	--	12,707	---	+1,000

SHIP SONARS										
AN/SQS-26/53/53A	--	10,901	--	10,901	--	10,901	--	10,901	---	---
AN/SQS-53B	--	---	--	---	--	---	--	---	---	---
AN/SQS-53C	--	---	--	---	--	---	--	---	---	---
AN/SQQ-89 SURFACE ASW COMBAT SYS	8	154,644	12	234,644	12	208,440	8	154,644	---	-53,796
AN/BQQ-5	--	25,865	--	25,865	--	25,865	--	25,865	---	---
TB-16 TOWED ARRAY (MYP)	14	5,665	14	5,665	14	5,665	14	5,665	---	---
SURF SONAR WINDOWS AND DOMES	--	6,068	--	6,068	--	6,068	--	6,068	---	---
SONAR SUPPORT EQUIPMENT	--	5,158	--	5,158	--	5,158	--	5,158	---	---
SONAR SWITCHES AND TRANSDUCERS	--	30,415	--	30,415	--	30,415	--	30,415	---	---
FBM SYSTEM SONARS	--	4,337	--	4,337	--	4,337	--	4,337	---	---
ASW ELECTRONIC EQUIPMENT										
SUBMARINE ACOUSTIC WARFARE SYSTEMS	--	29,318	--	29,318	--	29,318	--	29,318	---	---
SURFACE SHIP TORPEDO DEFENSE	--	10,038	--	10,038	--	10,038	--	10,038	---	---
ACOUSTIC COMMUNICATIONS	--	367	--	367	--	367	--	367	---	---
AN/BSY-1	1	42,755	1	42,755	1	42,755	1	42,755	---	---
SOSUS	--	54,332	--	54,332	--	54,332	--	54,332	---	---
AN/SQR-17 ACOUSTIC PROCESSOR	--	12,823	--	12,823	--	12,823	--	12,823	---	---
IMPROVED ACOUSTIC PROCESSOR	--	---	--	---	2	12,000	--	---	---	-12,000
USNR ASW FRIGATE MODERNIZATION	--	---	--	---	--	---	--	---	---	---
AN/SQR-18 TOWED ARRAY SONAR	--	10,891	--	10,891	--	10,891	--	10,891	---	---
AN/SQR-15 TOWED ARRAY SONAR	--	699	--	699	--	699	--	699	---	---
AN/SQR-19 TOWED ARRAY SONAR	--	---	--	---	--	---	--	---	---	---
SURTASS	--	18,337	--	18,337	--	18,337	--	18,337	---	---
ASW OPERATIONS CENTER	--	3,870	--	3,870	--	3,870	--	3,870	---	---
CARRIER ASW MODULE	--	16,983	--	16,983	--	16,983	--	16,983	---	---
ELECTRONIC WARFARE EQUIPMENT										
AN/SLQ-32	--	75,108	--	75,108	--	75,108	--	75,108	---	---
AN/SLQ-17	--	---	--	---	--	---	--	---	---	---
AN/WLR-1	--	5,540	--	5,540	--	5,540	--	5,540	---	---
AN/WLR-8	--	6,338	--	6,338	--	6,338	--	6,338	---	---
OFFBOARD DECEPTION DEVICES	--	26,988	--	26,988	--	7,463	--	7,463	-19,525	---
EW SUPPORT EQUIPMENT	--	4,896	--	4,896	--	4,896	--	4,896	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
FLEET EW SUPPORT GROUP......................................	--	3,438	--	3,438	--	3,438	--	3,438	---	---
C3 COUNTERMEASURES..	--	7,424	--	7,424	--	7,424	--	7,424	---	---
RECONNAISSANCE EQUIPMENT										
COMBAT CRYPTOLOGIC SUPPORT CONSOLE......................	--	9,457	--	9,457	--	9,457	--	9,457	---	---
COMBAT DF..	--	52,720	--	52,720	--	52,720	--	52,720	---	---
OUTBOARD...	--	27,801	--	27,801	--	27,801	--	27,801	---	---
NAVAL INTELLIGENCE PROCESSING SYSTEM....................	--	10,078	--	10,078	--	10,078	--	10,078	---	---
SUBMARINE SURVEILLANCE EQUIPMENT										
AN/WLQ-4 DEPOT..	--	9,924	--	9,924	--	9,924	--	9,924	---	---
AN/WLQ-4 IMPROVEMENTS.......................................	--	18,831	--	18,831	--	18,831	--	18,831	---	---
AN/BLD-1 (INTERFEROMETER)..................................	6	6,718	9	22,500	9	22,500	6	6,718	---	-15,782
SUBMARINE SUPPORT EQUIPMENT PROGRAM.....................	--	2,877	--	2,877	--	2,877	--	2,877	---	---
OTHER SHIP ELECTRONIC EQUIPMENT										
NAVY TACTICAL DATA SYSTEM..................................	--	93,199	--	93,199	--	83,000	--	93,199	---	+10,199
TACTICAL FLAG COMMAND CENTER...............................	3	12,975	3	12,975	3	12,975	3	12,975	---	---
COMMAND AND CONTROL PROCESSOR.............................	--	---	--	---	--	---	--	---	---	---
MINESWEEPING SYSTEM REPLACEMENT...........................	--	4,927	--	4,927	--	4,927	--	4,927	---	---
OMEGA SHIPBOARD EQUIPMENT..................................	106	3,299	106	3,299	106	3,299	106	3,299	---	---
NAVSTAR GPS RECEIVERS.......................................	132	13,212	132	13,212	132	13,212	132	13,212	---	---
HF LINK-11 DATA TERMINALS..................................	--	1,944	--	1,944	--	1,944	--	1,944	---	---
ARMED FORCES RADIO AND TV..................................	--	5,311	--	5,311	--	5,311	--	5,311	---	---
STRATEGIC PLATFORM SUPPORT EQUIPMENT.....................	--	77,704	--	77,704	--	77,704	--	77,704	---	---

TRAINING EQUIPMENT										
OTHER NAVELEX TRAINING EQUIPMENT......................	--	1,706	--	1,706	--	1,706	--	1,706	---	---
OTHER NAVSEA TRAINING EQUIPMENT.......................	--	1,193	--	1,193	--	1,193	--	1,193	---	---
AVIATION ELECTRONIC EQUIPMENT										
MATCALS...	--	22,806	--	22,806	--	21,556	--	21,556	-1,250	---
SHIPBOARD AIR TRAFFIC CONTROL.........................	--	10,577	--	10,577	--	10,577	--	10,577	---	---
AUTOMATIC CARRIER LANDING SYSTEMS.....................	--	15,567	--	15,567	--	1,680	--	---	-15,567	-1,680
TACAN...	--	4,821	--	4,821	--	4,821	--	4,821	---	---
AIR STATION SUPPORT EQUIPMENT.........................	--	7,619	--	7,619	--	7,619	--	7,619	---	---
MICROWAVE LANDING SYSTEM..............................	13	6,327	13	6,327	--	---	--	---	-6,327	---
FACSFAC...	--	41,429	--	41,429	--	41,429	--	41,429	---	---
RADAR AIR TRAFFIC CONTROL.............................	12	1,235	12	1,235	12	1,235	12	1,235	---	---
MK XII AIMS IFF.......................................	--	12,908	--	12,908	--	18,208	--	12,908	---	-5,300
OTHER SHORE ELECTRONIC EQUIPMENT										
NAVAL SPACE SURVEILLANCE SYSTEM.......................	--	8,956	--	8,956	--	8,956	--	8,956	---	---
SPACE SYSTEM PROCESSING...............................	--	2,152	--	2,152	--	2,152	--	2,152	---	---
MULTOTS...	--	---	--	---	--	---	--	---	---	---
NCCS ASHORE...	--	17,058	--	17,058	--	17,058	--	17,058	---	---
RADIAC..	--	7,437	--	7,437	--	7,437	--	7,437	---	---
OVER THE HORIZON RADAR................................	1	88,059	1	88,059	1	88,059	1	88,059	---	---
GPETE...	--	19,027	--	19,027	--	19,027	--	19,027	---	---
INTEG COMBAT SYS TEST FACILITY........................	--	5,778	--	5,778	--	5,778	--	5,778	---	---
CALIBRATION STANDARDS.................................	--	7,041	--	7,041	--	7,041	--	7,041	---	---
EMI CONTROL INSTRUMENTATION...........................	--	8,556	--	8,556	--	8,556	--	8,556	---	---
SHORE ELEC ITEMS UNDER $900K..........................	--	14,172	--	14,172	--	14,172	--	14,172	---	---
SHIPBOARD COMMUNICATIONS										
SHIPBOARD HF COMMUNICATIONS...........................	--	3,818	--	3,818	--	3,818	--	3,818	---	---
SHIPBOARD UHF COMMUNICATIONS..........................	--	6,853	--	6,853	--	6,853	--	6,853	---	---
FLIGHT DECK COMMUNICATIONS............................	--	---	--	---	--	---	--	---	---	---
PORTABLE RADIOS.......................................	724	7,320	724	7,320	724	5,320	724	7,320	---	+2,000
SHIP COMMUNICATIONS AUTOMATION........................	--	9,368	--	9,368	--	9,368	--	9,368	---	---
SHIP COMM ITEMS UNDER $900K...........................	--	5,313	--	5,313	--	5,313	--	5,313	---	---
SEALIFT SHIP COMMUNICATIONS...........................	--	3,754	--	3,754	--	3,000	--	3,754	---	+754

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
SUBMARINE COMMUNICATIONS										
ELF COMMUNICATIONS	--	---	--	---	--	---	--	---	---	---
SHORE LF/VLF COMMUNICATIONS	--	1,122	--	1,122	--	1,122	--	1,122	---	---
VERDIN	--	820	--	820	--	820	--	820	---	---
SSN INTEGRATED COMMUNICATIONS	--	1,237	--	1,237	--	1,237	--	1,237	---	---
SUBMARINE COMMUNICATION ANTENNAS	--	13,269	--	13,269	--	12,000	--	13,269	---	+1,269
DATA COLLECTION AND RECORD SYS	--	---	--	---	--	---	--	---	---	---
SATELLITE COMMUNICATIONS										
SATCOM SHIP TERMINALS	--	31,212	--	31,212	--	31,212	--	31,212	---	---
SATCOM SHORE TERMINALS	--	4,910	--	4,910	--	4,910	--	4,910	---	---
SHORE COMMUNICATIONS										
JCS COMMUNICATIONS EQUIPMENT	--	4,468	--	4,468	--	4,468	--	4,468	---	---
ELECTRICAL POWER SYSTEMS	--	1,063	--	1,063	--	1,063	--	1,063	---	---
SHORE HF COMMUNICATIONS	--	10,311	--	10,311	--	10,311	--	10,311	---	---
JOINT TACTICAL COMM (TRI-TAC)	--	---	--	---	--	---	--	---	---	---
DCS TECH CONTROL IMPROVEMENTS	--	1,342	--	1,342	--	1,342	--	1,342	---	---
VOICE FREQ CARRIER TELEGRAPH	200	1,883	200	1,883	200	1,883	200	1,883	---	---
ASHORE MOBILE COMM VANS	--	---	--	---	--	---	--	---	---	---
WORLDWIDE WIDEBAND COMM	--	2,338	--	2,338	--	2,338	--	2,338	---	---
WWMCCS COMMUNICATIONS EQUIPMENT	--	1,594	--	1,594	--	1,594	--	1,594	---	---
SHORE COMMUNICATIONS AUTOMATION	--	10,201	--	10,201	--	10,201	--	10,201	---	---
SHORE COMM ITEMS UNDER $900K	--	1,745	--	1,745	--	1,745	--	1,745	---	---
CRYPTOGRAPHIC EQUIPMENT										
SINGLE AUDIO SYSTEM	--	10,072	--	10,072	--	10,072	--	10,072	---	---
TSEC/KY-71/72 (STU-II/STU-IIM)	--	39,019	--	39,019	--	39,019	--	39,019	---	---

EXPEDITIONARY AIRFIELDS..............................	--	15,709	--	15,709	--	15,709	--	15,709	---	---
AIRCRAFT REARMING EQUIPMENT..........................	--	35,277	--	35,277	--	35,277	--	35,277	---	---
CATAPULTS AND ARRESTING GEAR.........................	--	47,022	--	47,022	--	47,022	--	37,000	-10,022	-10,022
METEOROLOGICAL EQUIPMENT.............................	--	26,071	--	26,071	--	26,071	--	20,100	-5,971	-5,971
OTHER PHOTOGRAPHIC EQUIPMENT.........................	--	1,841	--	1,841	--	1,841	--	1,841	---	---
MISC SURVIVAL EQUIPMENT..............................	--	9,602	--	9,602	--	9,602	--	9,602	---	---
AIRBORNE MINE COUNTERMEASURES........................	--	15,940	--	15,940	--	15,940	--	15,940	---	---
LAMPS MK-III SHIPBOARD EQUIPMENT.....................	--	23,327	--	23,327	--	23,327	--	23,327	---	--
REWSON PHOTOGRAPHIC EQUIPMENT........................	--	37	--	37	--	37	--	37	---	---
STOCK SURVEILLANCE EQUIPMENT.........................	--	3,207	--	3,207	--	3,207	--	3,207	---	---
OTHER AVIATION SUPPORT EQUIPMENT.....................	--	13,864	--	13,864	--	13,864	--	13,864	---	---
TOTAL, AVIATION SUPPORT EQUIPMENT....................		692,532		815,315		698,808		628,458	-64,074	-70,350
ORDNANCE SUPPORT EQUIPMENT										
SHIP GUN AMMUNITION										
3 /50 GUN AMMUNITION.................................	--	3,207	--	3,207	--	3,207	--	3,207	---	---
5 /38 GUN AMMUNITION.................................	--	6,100	--	6,100	--	6,100	--	6,100	---	---
5 /54 GUN AMMUNITION.................................	--	53,401	--	53,401	--	46,001	--	46,001	-7,400	---
5 INCH GUIDED PROJECTILE.............................	--	---	--	47,000	--	---	--	---	---	---
16 INCH GUN AMMUNITION...............................	--	16,531	--	16,531	--	14,931	--	14,931	-1,600	---
CIWS AMMUNITION......................................	--	41,119	--	41,119	--	41,119	--	41,119	---	---
76MM GUN AMMUNITION..................................	--	5,912	--	5,912	--	5,912	--	5,912	---	---
OTHER SHIP GUN AMMUNITION............................	--	21,847	--	21,847	--	20,247	--	20,247	-1,600	---
SHIP GUN SYSTEM EQUIPMENT										
GUN FIRE CONTROL EQUIPMENT...........................	--	13,914	--	13,914	--	13,914	--	13,914	---	---
COAST GUARD GUN SYSTEM...............................	--	---	--	---	--	---	--	---	---	---
SHIP MISSILE SYSTEMS EQUIPMENT										
MK-92 FIRE CONTROL SYSTEM............................	--	7,038	--	7,038	--	7,038	--	7,038	---	---
MK-92 CORT...	--	---	6	78,000	6	78,000	--	---	---	-78,000
HARPOON SUPPORT EQUIPMENT............................	--	38,021	--	38,021	--	38,021	--	28,600	-9,421	-9,421
TERRIER SUPPORT EQUIPMENT............................	--	48,535	--	48,535	--	48,535	--	48,535	---	---

COMMITTEE RECOMMENDED ADJUSTMENTS

The following program adjustments recommended by the Committee are based on General Accounting Office audit data, contract savings, or program slippages.

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
General purpose bombs	80,338	63,974	-16,364
Machine gun ammunition	15,435	14,435	-1,000
Gator	19,751	12,743	-7,008
Practice bombs	50,425	36,925	-13,500
5/54 ammunition	53,401	46,001	-7,400
16-inch ammunition	16,531	14,931	-1,600
Other ship ammunition	21,847	20,247	-1,600
Ship expendable countermeasures	21,074	20,374	-700
Offboard deception devices	26,988	7,463	-19,525
Matcals	22,806	21,556	-1,250
Microwave landing system	6,327		-6,327

AUTHORIZATION CHANGES

The Committee recommends the following reductions in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Forklifts	19,519	9,708	-9,811
Intelligence equipment	73,275	71,175	-2,100
Passenger vehicles	10,226	5,060	-5,166
Trucks	31,120	26,500	-4,620
Physical security equipment	47,238	40,000	-7,238
Bigeye chemical bomb	10,209		-10,209

SHIP SUPPORT EQUIPMENT

Firefighting equipment.—The Committee recommends $36,563,000, an increase of $22,000,000 to the request. The additional funds provided for this activity are only available to procure items identified by the Secretary of the Navy to augment ship survivability and firefighting capabilities. The Committee has considered the Navy's report on the U.S.S. *Stark* incident and concurs with the addition of these items. Other elements of the Secretary's proposal are addressed in the "Operation and maintenance, Navy" section of this report.

Strategic platform support equipment.—The Committee recommends a reduction of $9,997 in the request of $85,297,000. The allowance defers steam plant modifications until fiscal year 1989 due to incomplete design specifications.

Hull, mechanical, electronics under $2,000,000.—The Committee recommends a reduction of $7,310,000 in the request of $35,810,000. The Committee reiterates the position taken in the fiscal year 1987 report limiting programs in this line to the $2,000,000 ceiling. Reduction eliminates growth in this account from previous appropriations.

Small boats.—The Committee deletes $2,013,000 from the request of $17,213,000 for U.S. Naval Academy sail training craft. The sailboat replacement program was specifically denied in the fiscal year 1987 Senate report. The Navy should utilize funds from the sailing program trust fund to support the acquisition of these craft.

Production support facilities.—The Committee defers $10,505,000 from the request of $29,105,000. The Committee proposes that the Navy upgrade existing magnetic silencing facilities at a more gradual pace than requested for fiscal year 1988. Delays in program obligation have made available prior-year assets to sustain this program.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

Mk 23 target acquisition system.—The Committee recommends a reduction of $6,547,000 in the request of $26,347,000. The Committee allowance maintains a stable acquisition rate of three systems annually.

Automatic carrier landing system.—The Committee denies the request of $15,567,000 for this system. Continued test failures have eliminated the requirement for additional funds. The Committee recognizes the need to maintain the existing SPN–42 systems currently deployed in the fleet, and proposes that the Navy use $9,100,000 from the fiscal year 1987 appropriation to support these units.

AVIATION SUPPORT EQUIPMENT

Catapults and arresting gear.—The Committee recommends a reduction of $10,022,000 from the request of $47,022,000. The allowance limits procurement of service change kits and launch and recovery TV systems. No cost savings are projected through increased production of these systems.

Meteorological equipment.—The Committee defers $5,971,000 of the request of $26,071,000. The Committee proposal reduces procurement of satellite receiver/recorders to prior-year levels.

Sonobuoy rolling stock inventory.—The Committee notes the direction in the House report that the Navy terminate the rolling stock inventory for sonobuoy production. The maintenance and support of the mobilization production base for sonobuoys is critical to the Navy's ASW capabilities, and the Committee believes that before this surge production capacity is eliminated, the Navy should review and report to the Committee the current surge production capabilities of existing sonobuoy producers, and how the Navy intends to dissolve the existing stock inventory. The report should be provided no later than May 15, 1988.

Any proposal for termination of the rolling inventory should maximize sonobuoy production from available components and not adversely impact fiscal year 1988 funded sonobuoy procurement.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
AN/SSQ-77 (VLAD)	51,663	33,364	51,663	33,364	51,663	33,364	51,663	33,364	---	---
AN/SSQ-86 (DLC)	--	---	--	---	--	---	--	---	---	---
SIGNAL UNDERWATER SOUND (SUS)	--	---	--	---	--	---	--	---	---	---
GENERAL INCREASE, SONOBOUYS	--	---	--	100,000	--	100,000	--	---	---	-100,000
AIR LAUNCHED ORDNANCE										
SKIPPER	1,520	36,973	1,520	36,973	1,520	36,973	1,520	36,973	---	--
GENERAL PURPOSE BOMBS	--	80,338	--	105,338	--	63,974	--	63,974	-16,364	---
LASER GUIDED BOMB KITS	286	4,428	650	9,928	286	4,428	286	4,428	---	---
WALLEYE	--	10,729	--	10,729	--	10,729	--	10,729	---	---
ROCKEYE	1,341	6,783	1,341	8,283	1,341	8,283	1,341	6,783	---	-1,500
ZUNI ROCKET	--	29,457	--	29,457	--	26,957	--	29,457	---	+2,500
2.75 INCH ROCKET	--	19,133	--	19,133	--	19,133	--	19,133	---	---
PARACHUTE FLARES	44	731	44	731	44	731	44	731	---	---
MACHINE GUN AMMUNITION	--	15,435	--	15,435	--	14,435	--	14,435	-1,000	---
PRACTICE BOMBS	--	50,425	--	58,425	--	20,225	--	36,925	-13,500	+16,700
CARTRIDGES + CARTRIDGE ACTUATED DEVICES	--	7,705	--	7,705	--	7,705	--	7,705	---	---
AIRCRAFT ESCAPE ROCKETS	--	4,717	--	4,717	--	4,717	--	4,717	---	---
AIRBORNE EXPENDABLE COUNTERMEASURES	--	25,535	--	25,535	--	24,035	--	25,535	---	+1,500
MARINE LOCATION MARKERS	--	6,567	--	6,567	--	6,567	--	6,567	---	---
DEFENSE NUCLEAR AGENCY MATERIAL	--	1,477	--	1,477	--	1,477	--	1,477	---	---
BIGEYE CHEMICAL WEAPON	--	10,209	--	---	--	---	--	---	-10,209	---
JATOS	--	4,149	--	4,149	--	4,149	--	4,149	---	---
GATOR	775	19,751	500	12,743	--	---	500	12,743	-7,008	+12,743
MISC AIR LAUNCHED ORDNANCE	--	1,618	--	1,618	--	1,618	--	1,618	---	---
AIRCRAFT SUPPORT EQUIPMENT										
WEAPONS RANGE SUPPORT EQUIPMENT	--	46,829	--	46,829	--	46,829	--	46,829	---	---

TSEC/KG-84	--	52,070	--	52,070	--	52,070	--	52,070	---	---
TSEC/KY-57/58 (VINSON)	--	15,587	--	15,587	--	5,000	--	15,587	---	+10,587
TSEC/KYV-5 (ANDVT)	--	38,366	--	38,366	--	38,366	--	38,366	---	---
TSEC/KW-46	--	---	--	---	--	---	--	---	---	---
TSEC/KG-81 (WALBURN)	--	1,453	--	1,453	--	1,453	--	1,453	---	---
TSEC/KG-44 (DMSP)	--	---	--	---	--	---	--	---	---	---
TSEC/KGR-96 (ITSS)	--	---	--	---	--	---	--	---	---	---
TRITAC CRYPTO	--	23,125	--	23,125	--	22,000	--	23,125	---	+1,125
TSEC/KGV-11	207	4,585	207	4,585	207	4,585	207	4,585	---	---
COMMON FILL DEVICES	--	589	--	589	--	589	--	589	---	---
SIGNAL SECURITY	--	369	--	369	--	369	--	369	---	---
CRYPTOGRAPHIC ITEMS UNDER $2 MILLION	--	12,392	--	12,392	--	12,392	--	12,392	---	---
CRYPTOLOGIC EQUIPMENT										
CRYPTOLOGIC COMMUNICATIONS EQUIP	--	1,153	--	1,153	--	1,153	--	1,153	---	---
SHIPS SIGNAL EXPLOITATION SPACE	--	4,074	--	4,074	--	4,074	--	4,074	---	---
CRYPTOLOGIC ITEMS UNDER $2 MILLION	--	3,901	--	3,901	--	3,901	--	3,901	---	---
CRYPTOLOGIC RESERVES EQUIPMENT	--	1,265	--	1,265	--	1,265	--	1,265	---	---
CRYPTOLOGIC FIELD TRAINING EQUIP	--	435	--	435	--	435	--	435	---	---
SHORE CRYPTOLOGIC SUPPORT SYSTEM	--	1,264	--	1,264	--	1,264	--	1,264	---	---
OTHER ELECTRONIC SUPPORT										
WAR RESERVE	--	746	--	746	--	746	--	746	---	---
ELEC ENGINEERED MAINT (NAVSEA)	--	531	--	531	--	531	--	531	---	---
ELEC ENGINEERED MAINT (NAVELEX)	--	1,560	--	1,560	--	1,560	--	1,560	---	---
LARGE SCREEN DISPLAY	--	---	1	1,000	1	1,000	--	---	---	-1,000
REGENCY NET PACIFIC	--	---	--	---	--	-5,800	--	---	---	+5,800
		------------		------------		------------		------------	------------	------------
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,712,635		1,809,417		1,724,229		1,663,419	-49,216	-60,810
		============		============		============		============	============	============
AVIATION SUPPORT EQUIPMENT										
SONOBUOYS										
AN/SSQ-36 (BT)	28,231	4,098	28,231	4,098	28,231	4,098	28,231	4,098	---	---
AN/SSQ-53 (DIFAR)	150,816	58,713	150,816	58,713	150,816	45,013	150,816	58,713	--	+13,700
AN/SSQ-57 (SPECIAL PURPOSE)	11,947	2,786	11,947	2,786	11,947	2,786	11,947	2,786	---	---
AN/SSQ-62 (DICASS)	12,229	18,685	12,229	18,685	12,229	18,685	12,229	18,685	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
TARTAR SUPPORT EQUIPMENT...............................	--	64,226	--	64,226	--	64,226	--	64,226	---	---
POINT DEFENSE SUPPORT EQUIPMENT (MYP).................	--	14,117	--	14,117	--	14,117	--	14,117	---	---
AIRBORNE ECM/ECCM......................................	--	1,045	--	1,045	--	1,045	--	1,045	---	---
AEGIS SUPPORT EQUIPMENT................................	--	4,233	--	4,233	--	4,233	--	4,233	---	---
SURFACE TOMAHAWK SUPPORT EQUIPMENT.....................	--	50,937	--	50,937	--	50,937	--	50,937	---	---
SUBMARINE TOMAHAWK SUPPORT EQUIPMENT...................	--	5,521	--	5,521	--	5,521	--	5,521	---	---
VERTICAL LAUNCH SYSTEM.................................	2	56,029	2	56,029	2	56,029	2	56,029	---	---
FBM SUPPORT EQUIPMENT										
STRATEGIC PLATFORM SUPPORT EQUIPMENT...................	--	66,745	--	66,745	--	66,745	--	66,745	---	---
ASW SUPPORT EQUIPMENT										
MK-117 FIRE CONTROL SYSTEM.............................	--	68,405	--	68,405	--	68,405	--	61,200	-7,205	-7,205
SUBMARINE ASW SUPPORT EQUIPMENT........................	--	1,003	--	1,003	--	1,003	--	1,003	---	---
SURFACE ASW SUPPORT EQUIPMENT..........................	--	15,543	--	15,543	--	15,543	--	15,543	---	---
MK-116 FIRE CONTROL SYSTEM.............................	--	---	--	---	--	---	--	---	---	---
ASW RANGE SUPPORT EQUIPMENT............................	--	5,714	--	5,714	--	5,714	--	5,714	---	---
OTHER ORDNANCE SUPPORT EQUIPMENT										
EXPLOSIVE ORDNANCE DISPOSAL EQUIP......................	--	12,752	--	12,752	--	12,752	--	12,752	---	---
SWIMMER WEAPONS SYSTEMS................................	--	4,096	--	4,096	--	4,096	--	4,096	---	---
UNMANNED SEABORNE TARGET...............................	--	2,003	--	2,003	--	2,003	--	2,003	---	---
ANTI-SHIP MISSILE DECOY SYSTEMS........................	6	7,575	6	7,575	6	7,575	6	7,575	---	---
CALIBRATION EQUIPMENT..................................	--	3,563	--	3,563	--	3,563	--	3,563	---	---
STOCK SURVEILLANCE EQUIPMENT...........................	--	1,780	--	1,780	--	1,780	--	1,780	---	---
OTHER ORDNANCE TRAINING EQUIPMENT......................	--	2,339	--	2,339	--	2,339	--	2,339	---	---

OTHER EXPENDABLE ORDNANCE										
SMALL ARMS AND LANDING PARTY AMMO......................	--	35,680	--	35,680	--	35,680	--	35,680	---	---
PYROTECHNIC AND DEMOLITION MATERIAL..................	--	25,463	--	25,463	--	25,463	--	25,463	---	---
QUICKSTRIKE..	--	13,129	--	13,129	--	13,129	--	13,129	---	---
FLEET MINE SUPPORT EQUIPMENT..........................	--	18,022	--	18,022	--	18,022	--	18,022	---	---
MINE NEUTRALIZATION DEVICES...........................	--	3,329	--	3,329	--	3,329	--	3,329	---	---
DEFENSE NUCLEAR AGENCY MATERIAL.......................	--	9,594	--	9,594	--	9,594	--	9,594	---	---
SHIPBOARD EXPENDABLE COUNTERMEASURES..................	--	21,074	--	21,074	--	20,374	--	20,374	-700	---
TOTAL, ORDNANCE SUPPORT EQUIPMENT....................		769,542		894,542		836,242		741,616	-27,926	-94,626
CIVIL ENGINEERING SUPPORT EQUIPMENT										
PASSENGER CARRYING VEHICLES...........................	593	10,226	425	5,060	593	5,060	425	5,060	-5,166	---
ARMORED SEDANS..	2	185	2	185	2	185	--	---	-185	-185
TRUCKS..	1,647	31,120	1,000	26,500	1,647	19,312	1,000	19,312	-11,808	---
TRAILERS..	183	2,135	183	2,135	183	2,135	183	2,135	---	---
CRUSH, MIX, BATCH, PAVE EQUIPMENT.....................	--	2,645	--	2,645	--	1,984	--	2,645	---	+661
DRILLING AND BLASTING EQUIPMENT.......................	--	2,377	--	2,377	--	2,294	--	2,377	---	+83
EARTH MOVING EQUIPMENT................................	120	6,939	120	6,939	120	6,939	120	6,939	---	---
LIGHTING AND POWER GENERATING EQUIP...................	--	1,642	--	1,642	--	1,642	--	1,642	---	---
MISC CONSTRUCTION AND MAINTENANCE EQUIP...............	--	4,709	--	4,709	--	3,532	--	4,709	---	+1,177
FIRE FIGHTING EQUIPMENT...............................	65	8,430	65	8,430	65	8,430	65	8,430	---	---
WEIGHT HANDLING EQUIPMENT.............................	42	8,020	42	8,020	42	6,737	42	8,020	---	+1,283
AMPHIBIOUS EQUIPMENT..................................	--	9,923	--	9,923	--	9,923	--	9,923	---	---
COMBAT CONSTRUCTION SUPPORT EQUIPMENT.................	--	8,539	--	8,539	--	8,539	--	8,539	---	---
MOBILE UTILITIES SUPPORT EQUIPMENT....................	--	7,646	--	7,646	--	5,424	--	7,646	---	+2,222
COLLATERAL EQUIPMENT..................................	--	1,571	--	1,571	--	1,571	--	1,571	---	---
OCEAN CONSTRUCTION EQUIPMENT..........................	--	2,184	--	2,184	--	2,184	--	2,184	---	---
FLEET MOORINGS..	--	4,528	--	4,528	--	4,528	--	4,528	---	---
POLLUTION CONTROL EQUIPMENT...........................	--	1,914	--	1,914	--	1,914	--	1,914	---	---
OTHER CIVIL ENG SUPPORT EQUIPMENT.....................	--	2,067	--	2,067	--	2,067	--	2,067	---	---
FLEET HOSPITALS.......................................	--	---	--	---	--	---	--	---	---	---
TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT..........		116,800		107,014		94,400		99,641	-17,159	+5,241

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
SUPPLY SUPPORT EQUIPMENT										
FORKLIFT TRUCKS	571	19,519	400	9,708	571	9,708	400	14,500	-5,019	+4,792
OTHER MATERIALS HANDLING EQUIPMENT	--	1,571	--	1,571	--	1,571	--	1,571	---	---
AUTOMATED MATERIALS HANDLING SYSTEMS	--	11,513	--	11,513	--	11,513	--	11,513	---	---
OTHER SUPPLY SUPPORT EQUIPMENT	--	13,056	--	13,056	--	10,056	--	13,056	---	+3,000
SPECIAL PURPOSE SUPPLY SYSTEMS	--	76,346	--	76,346	--	76,346	--	76,346	---	---
TOTAL, SUPPLY SUPPORT EQUIPMENT		122,005		112,194		109,194		116,986	-5,019	+7,792
PERSONNEL AND COMMAND SUPPORT EQUIPMENT										
TRAINING DEVICES										
SURFACE SONAR TRAINERS	--	---	--	---	--	---	--	---	---	---
SUBMARINE SONAR TRAINERS	--	1,212	--	1,212	--	1,212	--	1,212	---	---
SURFACE COMBAT SYSTEM TRAINERS	--	18,910	--	18,910	--	18,910	--	18,910	---	---
SUBMARINE COMBAT SYSTEM TRAINERS	--	20,511	--	20,511	--	20,511	--	20,511	---	---
SHIP SYSTEM TRAINERS	--	15,011	--	15,011	--	15,011	--	15,011	---	---
TRAINING SUPPORT EQUIP	--	2,636	--	2,636	--	2,636	--	2,636	---	---
TRAINING DEVICE MODIFICATIONS	--	3,088	--	3,088	--	3,088	--	3,088	---	---
COMMAND SUPPORT EQUIPMENT										
COMMAND SUPPORT EQUIPMENT	--	8,927	--	8,927	--	8,927	--	8,927	---	---
EDUCATION SUPPORT EQUIPMENT	--	1,228	--	1,228	--	1,228	--	1,228	---	---
MEDICAL SUPPORT EQUIPMENT	--	15,020	--	15,020	--	15,020	--	15,020	---	---
INTELLIGENCE SUPPORT EQUIPMENT	--	73,275	--	71,175	--	69,195	--	71,175	-2,100	+1,980
ITEMS UNDER $2 MILLION	--	1,508	--	1,508	--	1,508	--	1,508	---	---
OPERATING FORCES SUPPORT EQUIPMENT	--	14,586	--	14,586	--	14,586	--	7,300	-7,286	-7,286

NAVAL RESERVE SUPPORT EQUIPMENT........................	--	162	--	162	--	162	--	162	---	---
OCEANOGRAPHIC SUPPORT EQUIPMENT........................	--	15,774	--	25,774	--	15,774	--	25,774	+10,000	+10,000
PHYSICAL SECURITY EQUIPMENT............................	--	47,238	--	40,000	--	45,520	--	40,000	-7,238	-5,520
COMPUTER ACQUISITION PROGRAM										
COMPUTER ACQUISITION PROGRAM...........................	--	229,324	--	200,000	--	181,287	--	175,700	-53,624	-5,587
PRODUCTIVITY PROGRAMS										
PRODUCTIVITY INVESTMENT FUND (PIF).....................	--	1,990	--	1,990	--	1,990	--	1,990	---	---
PROD ENHANCING INCENTIVE FUND (PEIF)...................	--	7,371	--	7,371	--	7,371	--	7,371	---	---
TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPMENT......		477,771		449,109		423,936		417,523	-60,248	-6,413
SPARES & REPAIR PARTS										
SPARES AND REPAIR PARTS................................	--	308,826	--	308,826	--	305,725	--	278,800	-30,026	-26,925
PROFIT POLICY CHANGE...................................	--	---	--	---	--	---	--	---	---	---
INFLATION SAVINGS, FY87................................	--	---	--	---	--	---	--	---	---	---
GENERAL REDUCTION......................................	--	---	--	-8,000	--	---	--	---	---	---
(BY TRANSFER)..	--	---	--	(8,000)	--	---	--	---	---	---
GENERAL REDUCTION, PY SAVINGS..........................	--	---	--	-36,541	--	---	--	---	---	---
(BY TRANSFER)..	--	---	--	(36,541)	--	---	--	---	---	---
TOTAL, OTHER PROCUREMENT, NAVY.......................		4,983,827		5,321,592		5,012,295		4,722,334	-261,493	-289,961
TRANSFER FROM OTHER ACCOUNTS..................		---		(44,541)		---		---	---	---
TOTAL FUNDING AVAILABLE.......................		4,983,827		5,366,133		5,012,295		4,722,334	-261,493	-289,961

ORDNANCE SUPPORT EQUIPMENT

Harpoon support equipment.—The Committee recommends a reduction of $9,421,000 in the request of $38,021,000. The allowance defers operator training system upgrade until fiscal year 1989.

Mk 117 fire control system.—The Committee recommends a reduction of $7,205,000 in the request of $68,405,000. The Committee action defers upgrades and logistics support for submarine combat systems not yet deployed in the fleet.

5-inch guided projectile.—The Committee recommends termination of the DEADEYE program. This development effort has consumed approximately $400,000,000 over the past 10 years without delivery of a production qualified round for Navy stocks. The Committee fully recognizes the military value and force multiplier effect of smart munitions, and endorses the continued development and procurement of these munitions. However, the limited procurement of the DEADEYE for ships guns does not justify the excessive cost and limited utility associated with this round.

Under the current sole source procurement, each round costs in excess of $50,000, compared to a standard 5/54 high explosive round costing about $1,000. Even under the most optimistic competitive procurement proposal, including the costs of developing the second source, the cost ratio will exceed 35 to 1. The Committee is also concerned as to how the required target designation for this round will be provided, given the limited number of laser designators available to the Marine Corps. Further, the limited range of this round seems to conflict with the investments underway for the LCAC, the LHD–1, and the V–22, which are designed to provide Marine Corps landing forces beyond the horizon amphibious assault capability far beyond the range of DEADEYE.

The Committee believes that the remaining $500,000,000 projected for this program can be better applied to the procurement of other advanced guided weapons currently in production that offer greater battlefield utility. The Navy has twice terminated the DEADEYE on the grounds of affordability. The Committee concurs with that assessment. The Committee proposes to rescind prior-year balances for this program.

Mk 92 CORT.—The Committee disagrees with the House direction to continue this upgrade to the fire control system of the FFG–7 class frigates. The Committee proposes to rescind remaining prior year balances and terminate acquisition prior to fleet deliveries.

Close-in weapon system ammunition.—The Committee agrees with the direction of the House report pertaining to the development of a second source producer for the 20 mm round used by the Phalanx close-in weapon system. The Committee strongly endorses the authorization conference position that advocates maximizing the domestic production base for DU penetrator alloys, and that this consideration should be addressed in the Navy response on the second sourcing plan.

CIVIL ENGINEERING SUPPORT EQUIPMENT

Armored sedans.—The Committee denies the request of $185,000 to procure two armored passenger vehicles.

PERSONNEL AND COMMAND SUPPORT EQUIPMENT

Operating forces support equipment.—The Committee recommends a reduction of $7,286,000 in the request of $14,586,000. The allowance defers funding for base procured equipment not justified in the budget request.

Oceanographic support equipment.—The Committee allows $25,774,000, an increase of $10,000,000 to the request. The Committee has provided the additional $10,000,000 for the sole purpose of procuring oceanographic support equipment for the Navy's fleet of oceanographic ships. This equipment will help to modernize and improve the effectiveness of these ships.

Computer acquisition program.—The Committee recommends a reduction of $53,624,000 in the request of $229,324,000. The Committee proposal defers funding for lower priority ADP projects. The Committee believes that no reductions should be applied against programs for the Naval Oceanographic Command and the Chief of Naval Operations.

SPARES

Spares.—The Committee proposes a reduction of $30,026,000 in the request of $308,826,000. This reduction reflects program adjustments and the availability of prior-year appropriations to support spare and repair parts.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
AN/SPS-48	47,714	45,814	47,714
AN/SYS-( )	8,661	8,000	8,661
Radar support	12,707	11,707	12,707
NTDS	93,199	83,000	93,199
Portable radios	7,320	5,320	7,320
Sealift ship communications	3,754	3,000	3,754
Submarine communication antennas	13,269	12,000	13,269
TSEC/KY-57/58 (Vinson)	15,587	5,000	15,587
TRI-TAC Crypto	23,125	22,000	23,125
AN/SSQ-53	58,713	45,013	58,713
ZUNI rocket	29,457	26,957	26,457
Airborne expendable CM	25,535	24,035	25,535
Crush, mix, pave equipment	2,645	1,984	2,645
Drilling/blasting equipment	2,377	2,294	2,377

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Miscellaneous construction equipment	4,709	3,532	4,709
Weight handling equipment	8,020	6,737	8,020
Mobile utility support equipment	7,646	5,424	7,646

PROCUREMENT, MARINE CORPS

1987 appropriation	$1,465,215,000
1988 budget estimate	1,402,440,000
House allowance	1,273,332,000
Committee recommendation	1,332,827,000

The Committee recommends an appropriation of $1,332,827,000, a decrease of $69,613,000 below the President's budget and $59,495,000 more than the House allowance.

This appropriation provides the Marine Corps with funds for the procurement, delivery, and modification of missiles, armament, ammunition, communication equipment, tracked and wheeled vehicles, and various support equipment.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
PROCUREMENT, MARINE CORPS										
AMMUNITION										
SMALL ARMS AMMO:										
CTG 5.56MM BALL M855	106,465	21,589	106,465	21,589	106,465	21,589	106,465	21,589	---	---
CTG 9MM BALL M882	59,368	6,762	59,368	6,762	59,368	6,762	59,368	6,762	---	---
CTG 40MM HE DP M433	510,032	4,329	510,032	4,329	510,032	4,329	510,032	4,329	---	---
MACHINE GUN AMMO:										
CTG 5.56MM LINKED (SAW)	21,252	6,311	21,252	6,311	21,252	6,311	21,252	6,311	---	---
CTG CAL 50 LINKED	970,814	1,156	970,814	1,156	970,814	1,156	970,814	1,156	---	---
CTG 25MM APDS-T M791	--	---	--	---	--	---	--	---	---	---
CTG 25MM HEI-T M792	--	---	--	---	--	---	--	---	---	---
CTG 40MM LINKED M430 HE DP	1,788	19,866	1,788	19,866	1,788	19,866	1,788	19,866	---	---
CTG 7.62MM LINKED M80	15,581	4,195	15,581	4,195	15,581	4,195	15,581	4,195	---	---
MORTAR AMMO:										
CTG 60MM HE M888	82,894	4,116	82,894	4,116	82,894	4,116	82,894	4,116	---	---
CTG 60MM SMOKE WP M302 A1	--	---	--	---	--	---	--	---	---	---
CTG 81MM HE M821	164,588	36,197	164,588	36,197	164,588	36,197	164,588	36,197	---	---
CTG 81MM HE M889	372,075	62,017	372,075	62,017	372,075	62,017	372,075	62,017	---	---
CTG 81MM SMK M819	52,590	11,474	52,590	11,474	52,590	11,474	52,590	11,474	---	---
CTG 81MM ILLUM M853	4,858	1,001	4,858	1,001	4,858	1,001	4,858	1,001	---	---
CTG 60MM SMOKE WP XM722	41,800	4,041	41,800	4,041	41,800	4,041	41,800	4,041	---	---
CTG 60MM ILLUM XM721	24,510	4,000	24,510	4,000	24,510	4,000	24,510	4,000	---	---
GRENADES:										
GRENADE SMOKE SCREEN (IR)	99,039	5,000	99,039	5,000	99,039	5,000	99,039	5,000	---	---
GRENADE SMOKE SCREEN (RP)	11,290	548	11,290	548	11,290	548	11,290	548	---	---
SIGNAL ILLUM WSP	129,866	3,015	129,866	3,015	129,866	3,015	129,866	3,015	---	---
CTG 40MM WS PARA	82,353	1,897	82,353	1,897	82,353	1,897	82,353	1,897	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
GRENADE HAND FRAG	710,728	6,729	710,728	6,729	710,728	6,729	710,728	6,729	---	---
GRENADE HAND SMOKE GREEN	111,342	1,294	111,342	1,294	111,342	1,294	111,342	1,294	---	---
GRENADE HAND SMOKE YELLOW	141,099	1,742	141,099	1,742	141,099	1,742	141,099	1,742	---	---
SIGNAL ILLUM GRD GRN	56,476	1,365	56,476	1,365	56,476	1,365	56,476	1,365	---	---
SIGNAL SMOKE GRD GREEN PARA	71,583	2,108	71,583	2,108	71,583	2,108	71,583	2,108	---	---
FLARE SURFACE TRIP	85,655	1,712	85,655	1,712	85,655	1,712	85,655	1,712	---	---
ROCKETS:										
ROCKET 83MM (SMAW)	--	---	--	---	--	---	3,500	3,700	+3,700	+3,700
ROCKET 5 INCH MOTOR	301	1,148	301	1,148	301	1,148	301	1,148	---	---
LIGHT ANTI ARMOR WEAPON AT-4	16,026	12,981	16,026	12,981	16,026	12,981	25,000	21,581	+8,600	+8,600
ROCKET 83MM HEAA	3,355	12,315	3,355	12,315	3,355	12,315	--	---	-12,315	-12,315
TRAINING AMMO:										
CTG 40MM TP F/MK19	789,991	9,985	789,991	9,985	789,991	9,985	789,991	9,985	---	---
CTG 40MM PRAC M781	733,966	1,259	733,966	1,259	733,966	1,259	733,966	1,259	---	---
CTG 81MM TP XM879	49,169	3,517	49,169	3,517	49,169	3,517	49,169	3,517	---	---
LINE CHARGE PRAC (TRLR) MTD	217	2,166	217	2,166	217	2,166	217	2,166	---	---
LINE CHARGE PRAC LVT MTD	217	2,131	217	2,131	217	2,131	217	2,131	---	---
CTG 25MM TP-T M793	--	---	--	---	--	---	--	---	---	---
ROCKET 83MM PRACTICE	--	---	--	---	--	---	--	---	---	---
CTG 5.56MM BLANK LKD (SAW)	19,587	3,902	19,587	3,902	19,587	3,902	19,587	3,902	---	---
CTG 5.56MM BLANK M200	73,068	7,305	73,068	7,305	73,068	7,305	73,068	7,305	---	---
CTG 7.62MM BLANK LINKED	10,442	2,480	10,442	2,480	10,442	2,480	10,442	2,480	---	---
CTG 120MM TP-T M831	4,557	4,761	--	---	--	---	--	---	-4,261	---
CTG 120MM TPCSDS-T M865	3,339	2,451	--	---	--	---	--	---	-2,451	---
ROCKET 83MM PRACTICE F/HEAA	610	1,120	610	1,120	610	1,120	610	1,120	---	---
155MM AMMO:										
CHG PROP RB M203A1	--	---	--	---	--	---	--	---	--	---
PROJ 155MM ADAM-L M692	466	2,001	466	2,001	466	2,001	466	2,001	---	---

PROJ 155MM ADAM-S M731	466	2,001	466	2,001	466	2,001	466	2,001	---	---
PROJ 155MM RAAMS-L M718	11,540	14,698	11,540	14,698	11,540	14,698	11,540	14,698	---	---
PROJ 155MM RAAMS-S M741	27,503	35,028	27,503	35,028	27,503	35,028	27,503	35,028	---	---
PROJ 155MM HE ICM (DP)M483	4,764	2,004	4,764	2,004	4,764	2,004	4,764	2,004	---	---
CHARGE PROP 155MM WHITE BAG M4A2	182,681	12,963	182,681	12,963	182,681	12,963	182,681	12,963	---	--
ANTI-ARMOR AMMO:										
CTG 120MM APFSDS-T M829	7,558	7,784	--	---	--	---	--	---	-7,784	---
CTG 120MM HEAT M830	16,962	29,014	--	---	--	---	--	---	-29,014	---
155MM PROJ COPPERHEAD	--	---	--	---	--	---	--	---	---	---
8 INCH AMMO:										
PROJ HE M106	--	---	--	---	--	---	--	---	---	---
FUZES:										
FUZE MECHANICAL TIME (MT)	--	---	--	---	--	---	--	---	---	---
POINT DETONATING (PD)	--	---	--	---	--	---	--	---	---	---
PRIMER PERCUSSION M82	421,021	733	421,021	733	421,021	733	421,021	733	---	---
PROXIMITY M732A1	25,599	4,513	25,599	4,513	--	---	25,599	4,513	--	+4,513
AMMO MODERNIZATION	--	14,775	--	14,775	--	14,775	--	14,775	---	---
OTHER SUPPORT										
ITEMS LESS THAN $2 MILLION	--	5,886	--	5,886	--	5,886	--	5,886	---	---
GENERAL INCREASE, AMMUNITION	--	---	--	---	--	---	--	---	---	---
TOTAL, AMMUNITION		410,885		367,375		367,862		367,360	-43,525	+4,498
WEAPONS AND COMBAT VEHICLES										
TRACKED COMBAT VEHICLES										
AAV7A1 PIP	--	21,702	--	21,702	--	21,702	--	21,702	---	---
MODIFICATION KITS (TRKD VEH)	--	490	--	490	--	490	--	490	---	---
M-1 MAIN BATTLE TANK (MYP)	--	1,144	--	1,144	--	1,144	--	1,144	---	--
M-1 MAIN BATTLE TANK (MYP) (AP-CY)	--	24,441	--	24,441	--	24,441	--	24,441	---	---
BRIDGE, ARMORED VEH LAUNCHED	--	---	--	---	--	---	--	---	---	--
M1 TANK TRAINER	4	8,947	4	8,947	4	8,947	4	8,947	---	---
ITEMS LESS THAN $2 MILLION (TRKD VEH)	--	75	--	75	--	75	--	75	--	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
ARTILLERY AND OTHER WEAPONS										
POS AZIMUTH DETERM SYS (PADS)	34	9,637	34	9,637	34	9,637	34	9,637	---	---
M198 155MM HOWITZER	--	---	--	---	--	---	--	---	---	---
ITEMS LESS THAN $2 MILLION (ATL-CTH)	--	1,077	--	1,077	--	1,077	--	1,077	---	---
WEAPONS										
9MM HANDGUN	22,182	5,191	22,182	5,191	22,182	5,191	22,182	5,191	---	---
MACHINE GUN, AUTO SAW 5.56MM	1,039	3,029	1,039	3,029	--	---	1,039	3,029	---	+3,029
M-16 5.56MM RIFLE	16,652	8,859	16,652	8,859	16,652	8,859	16,652	8,859	---	---
XM-4 CARBINE	1,500	1,005	--	---	--	---	--	---	-1,005	---
MK-19 40MM MACHINE GUN	415	3,583	415	3,583	415	3,583	--	---	-3,583	-3,583
MORTAR, MED. EXTENDED RANGE	264	5,262	264	5,262	264	5,262	264	5,262	---	---
TOTAL, WEAPONS AND COMBAT VEHICLES		94,442		93,437		90,408		89,854	-4,588	-554
GUIDED MISSILES AND EQUIPMENT										
GUIDED MISSILES										
HAWK (MYP)	525	136,974	525	122,974	525	132,324	525	123,974	-13,000	-8,350
HAWK (MYP) (AP-CY)	--	24,350	--	14,000	--	---	--	24,350	---	+24,350
HAWK MOD	--	30,129	--	30,129	--	30,129	--	30,129	---	---
STINGER (MYP)	3,067	137,356	3,067	137,356	2,225	93,005	3,067	117,356	-20,000	+24,351
DRAGON MISSILE SYSTEM	4,259	7,890	4,259	7,890	4,259	7,890	4,259	7,890	---	---
TOW (MYP)	2,680	26,940	2,680	26,940	2,847	26,940	3,680	38,440	+11,500	+11,500

OTHER SUPPORT										
MODIFICATION KITS..	--	761	--	761	--	761	--	761	---	---
TOTAL, GUIDED MISSILES AND EQUIPMENT.................		364,400		340,050		291,049		342,900	-21,500	+51,851
COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
MANPACK RADIOS										
MANPACK RADIOS AND EQUIP.................................	--	---	--	---	--	---	--	---	---	---
VEHICLE MOUNTED RADIOS AND EQUIPMENT										
VEHICLE MTD RADIOS & EQUIPMENT...........................	--	3,224	--	3,224	--	3,224	--	3,224	---	---
TELEPHONE AND TELETYPE EQUIPMENT										
UNIT LEVEL CIRCUIT SWITCH (ULCS)........................	--	64,549	--	64,549	--	64,549	--	64,549	---	---
ULCS LIFE CYCLE SUPPORT..................................	--	---	--	---	--	---	--	---	---	---
TACT COMM CENTER EQUIP..................................	--	9,887	--	9,887	--	9,887	--	9,887	---	---
AN/PSG( ) DIGITAL COMM TERMINAL........................	581	17,316	581	17,316	581	17,316	581	17,316	---	---
REPAIR AND TEST EQUIPMENT										
AUTO TEST EQUIP SYS......................................	--	---	--	---	--	---	--	---	---	---
CALIBRATION FACILITY ELECTRONIC.........................	9	8,740	9	8,740	9	8,740	9	8,740	---	---
MAINTENANCE COMPLEX, ELECTRONIC........................	--	---	--	---	--	---	--	---	---	---
ELECTRONIC TEST EQUIP (TEL).............................	--	2,169	--	2,169	--	2,169	--	2,169	---	---
AN/GRM-114A TEST SET, RADIO.............................	135	850	135	850	135	850	135	850	---	---
OTHER COMM/ELEC EQUIPMENT										
ANDVT/TACTERM...	75	2,420	75	2,420	75	2,420	75	2,420	---	---
OTHER SUPPORT (TEL)										
TEST CALIB & MAINT SPT....................................	--	97	--	97	--	97	--	97	---	---
MODIFICATION KITS (TEL)..................................	--	1,948	--	1,948	--	1,948	--	1,948	---	---
ITEMS LESS THAN $2 MILLION (TEL)........................	--	1,966	--	1,966	--	1,966	--	1,966	---	---

COMMITTEE RECOMMENDED ADJUSTMENTS

AMMUNITION

Rocket 83 mm HEAA-SMAW.—The Marine Corps has requested $12,315,000 to procure 3,355 high explosive antiarmor [HEAA] rockets for the shoulder-launched multipurpose assault weapon [SMAW]. The House has recommended funding the full budget request.

The Department of Defense antiarmor master plan identifies the SMAW as primarily a bunker buster and urban warfare weapon. It further states the longer term goal in this light weapon arena is the multipurpose individual munition [MPIM] which will have a full multipurpose capability against lightly armored vehicles and personnel in buildings and bunkers. The Marines, however, intend to field yet another interim antiarmor munition by developing a high explosive antiarmor round for the SMAW system.

The Committee is highly concerned with the continued proliferation of interim antiarmor solutions which deviate from the Department's antiarmor master plan and, therefore, has terminated further development of the HEAA round and has increased funding for accelerated development of the MPIM system within the R&D accounts. Further, the Committee has recommended a $8,600,000 increase for the Marine procurement of the light antiarmor weapon AT-4 and a $3,700,000 increase for the basic 83 mm SMAW round.

WEAPONS AND COMBAT VEHICLES

MK-19 40 mm grenade launcher.—The Marine Corps has requested $3,583,000 for the production of 415 MK-19 grenade launchers in fiscal year 1988. The House has recommended funding the full budget request.

The Committee notes deliveries on prior-year contracts have slipped at least 2 years and, therefore, denies the Marine's fiscal year 1988 procurement request.

GUIDED MISSILES AND EQUIPMENT

Hawk missile.—The Marine Corps requested $136,974,000 for the first 525 missiles of a 4-year multiyear procurement of 2,118 Hawk missiles (fiscal years 1988-91). Included in the Marine Corps' request is $24,350,000 for advance procurement funds necessary to execute the multiyear proposal. The House has recommended denying the multiyear request and, therefore, has not approved the advance procurement request. Further, the House has reduced the procurement funding $4,650,000 below the budget request.

The Committee reviewed the proposed multiyear procurement of the Hawk missile guidance and control section as initially submitted by the Marine Corps and found the average cost under the proposed multiyear procurement contract exceeded the amount paid for similar missiles on the annual contract during the past 2 years. A Government Accounting Office [GAO] independent review of the multiyear proposal also indicated there were no savings from the multiyear proposal as submitted by the Marine Corps.

On October 7, 1987, the Marine Corps received a firm fixed price proposal from the contractor for the 4-year multiyear contract. The Committee has reviewed the new proposal and has determined that the new cost estimates for the 2,118 missile program indicate at least a 12-percent savings over an annual program can be achieved.

In light of this new data, the Committee approves the Hawk multiyear proposal, and the $24,350,000 advance procurement request.

Finally, the revised data further shows the missile procurement request is overstated by $13,000,000 and, therefore, the Committee approves only $123,974,000 of the fiscal year 1988 procurement request.

Stinger.—The Marine Corps has requested $137,356,000 to procure 3,067 Stinger missiles in fiscal year 1988. The House recommended $93,005,000 and 2,225 missiles, a reduction of $44,351,000 and 842 missiles from the budget request.

The Committee recommends a reduction of $20,000,000 from the Marine Corps fiscal year 1988 request as a result of multiyear contract savings and reduced rocket motor costs.

Dragon II missile.—The Marine Corps has requested $7,890,000 to modify 4,259 Dragon missiles with an improved warhead, a product improvement known as Dragon II. The House has recommended funding the entire budget request.

As part of the antiarmor package, the Committee recommends approval of the Marine Corps' Dragon II warhead product improvement program and supports the fiscal year 1988 request.

Further, the Marine Corps submitted a fiscal year 1987 notification reprogramming action for the purpose of commencing the modification program in fiscal year 1987. The Marine Corps estimated an early start would accelerate the fielding of this improved capability by up to 6 months. The Committee, however, disapproved the Marine Corps request, reiterating its policy against new start reprogrammings.

Having now had the opportunity to review the improved Dragon II warhead procurement program through the normal budget process, the Committee approves the fiscal year 1987 reprogramming request for the Dragon II warhead product improvement program as an exception to its general policy and appropriates $7,890,000 for 4,259 Dragon II missile modifications for fiscal year 1988.

TOW II missile.—The Marine Corps has requested $26,940,000 for the procurement of 2,680 TOW II heavy antitank missiles. The House has recommended approval of the full budget request.

As part of the recommended antiarmor package, the Committee recommends an increase of $11,500,000 and 1,000 missiles to the Marine Corps' budget request. As stated earlier in the Army missile procurement section, the TOW II is the best antitank missile system currently available to the ground soldier to counter the Soviet's most modern tanks with reactive armor. Further, since the Committee has recommended slipping the follow-on AAWS-H development program, this addition to the TOW II inventories will help bridge the gap until the next generation heavy antiarmor system is fielded.

As also stated in the Army missile account, any further savings within the TOW II multiyear shall only be used to buy more missiles for both services.

AUTHORIZATION CHANGES

The Committee recommends the following adjustments in accordance with authorization conference action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
120 mm ammunition, M-831	4,261		-4,261
120 mm ammunition, M-865	2,451		-2,451
120 mm ammunition, M-829	7,784		-7,784
120 mm ammunition, M-830	29,014		-29,014
XM-4 carbine	1,005		-1,005

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Proximity fuze M-732A1	4,513		4,513
Machine gun, 5.56 mm, saw	3,029		3,029
Tactical air oper modules	71,623	67,923	71,623

AIRCRAFT PROCUREMENT, AIR FORCE

1987 appropriation	$17,253,281,000
1988 budget estimate	14,191,371,000
House allowance	11,382,355,000
Committee recommendation	13,013,735,000

The Committee recommends an appropriation of $13,013,735,000, a decrease of $1,177,636,000 from the President's budget and $1,631,380,000 more than the House allowance.

This appropriation finances the construction, procurement, modernization, and modification of aircraft and equipment, including armor and armament, specialized ground-handling equipment, and flight training simulators, spare parts, and accessories; specialized equipment; and expansion of public and private plants, Government-owned equipment, and installation.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
COMMAND + CONTROL SYSTEMS (NON-TEL)										
TACTICAL AIR OPER MODULE (TAOM)........................	9	71,623	9	71,623	9	67,923	9	71,623	---	+3,700
AN/UYQ 4 SEMI AUTO,DIRECT AIR SUPPORT CENTRAL.........	5	5,747	5	5,747	5	5,747	5	5,747	---	---
RADAR + EQUIPMENT (NON-TEL)										
INTELL/COMM EQUIPMENT (NON-TEL)										
INTELLIGENCE SUPPORT EQUIPMENT.........................	--	4,420	--	4,420	--	4,420	--	4,420	---	---
MOBILE EW SUP SYS (MEWSS)............................	--	---	--	---	--	---	--	---	---	---
REPAIR + TEST EQUIPMENT (NON-TEL)										
ELECTRONIC TDME REPAIR FACILITY........................	2	1,749	2	1,749	2	1,749	2	1,749	---	---
CALIBRATION FACILITY..................................	12	5,600	12	5,600	12	5,600	12	5,600	---	---
STE/ICE SIMPL TEST EQ.................................	285	1,423	285	1,423	285	1,423	285	1,423	---	---
MECH TEST TMDE..	--	97	--	97	--	97	--	97	---	---
ELECTRONIC TEST EQUIP (NONTEL)........................	--	97	--	97	--	97	--	97	---	---
OTHER COMM/ELEC EQUIPMENT (NON-TEL)										
NIGHT VISION EQUIPMENT................................	--	16,686	--	16,686	--	16,686	--	16,686	---	---
ADP EQUIPMENT...	--	41,015	--	41,015	--	41,015	--	41,015	---	---
OTHER SUPPORT (NON-TEL)										
TEST CALIB & MAINT SPT (NON-TEL)......................	--	97	--	97	--	97	--	97	---	---
MODIFICATION KITS (NONTEL)...........................	--	12,614	--	12,614	--	12,614	--	12,614	---	---
ITEMS LESS THAN $2 MILLION (NONTEL)...................	--	1,401	--	1,401	--	1,401	--	1,401	---	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT.....		275,735		275,735		272,035		275,735	---	+3,700

SUPPORT VEHICLES										
ADMINISTRATIVE VEHICLES										
COMMERCIAL PASSENGER VEHICLES...........................	153	2,464	153	2,464	153	2,464	153	2,464	---	---
COMMERCIAL CARGO VEHICLES...............................	--	9,599	--	9,599	--	9,599	--	9,599	---	---
TACTICAL VEHICLES										
5/4T TRUCK HMMWV..	136	2,881	136	2,881	136	2,881	136	2,881	---	---
5 TON RETROFIT..	--	---	--	---	--	---	--	---	---	---
LOGISTICS VEHICLE SYSTEM................................	359	17,661	359	17,661	359	17,661	359	17,661	---	---
TRAILERS, ALL TYPES.....................................	--	2,881	--	2,881	--	2,881	--	2,881	---	---
LUBE AND SERVICE UNIT 15CFM.............................	--	---	--	---	--	---	--	---	---	---
OTHER SUPPORT										
MODIFICATION KITS.......................................	--	3,168	--	3,168	--	3,168	--	3,168	---	---
ITEMS LESS THAN $2 MILLION..............................	-	862	--	862	--	862	--	862	---	---
TOTAL, SUPPORT VEHICLES.................................		39,516		39,516		39,516		39,516	---	---
ENGINEER AND OTHER EQUIPMENT										
ENGINEER AND EQUIPMENT										
ENVIRONMENTAL CONTROL EQ ASSORT.........................	--	2,834	--	2,834	--	2,834	--	2,834	---	---
HEAVY RT CRANE..	146	34,976	146	34,976	146	34,976	146	34,976	---	---
LIGHT RT CRANE..	200	11,625	200	11,625	200	11,625	200	11,625	---	---
GRADER ROAD MOTORIZED...................................	--	---	--	---	--	---	--	---	---	---
TRACTORS, ALL TYPES.....................................	--	28,785	--	28,785	--	28,785	--	28,785	---	---
CONTAINER HNDLR, ROUGH TERR.............................	35	8,118	35	8,118	35	8,118	35	8,118	---	---
FORKLIFTS, ALL TYPES....................................	--	27,839	--	27,839	--	27,839	--	27,839	---	---
LAUNDRY UNIT, FIELD.....................................	--	3,240	--	3,240	--	3,240	--	3,240	---	---
FIELD BATH SHOWER UNIT..................................	100	2,255	100	2,255	100	2,255	100	2,255	---	---
REFRIGERATION UNIT......................................	--	---	--	---	--	---	--	---	---	---
REV OSMOSIS/WATER PUR 600 GL............................	--	---	--	---	--	---	--	---	---	---
FIELD WIRING HARNESS....................................	677	4,351	677	4,351	677	4,351	677	4,351	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
FUEL & WATER PUMP & STORAGE MODULE	--	10,572	--	10,572	--	10,572	--	10,572	---	---
AMPHIBIOUS ASSAULT FUEL SYSTEM	--	2,346	--	2,346	--	2,346	--	2,346	---	---
TACT AIRFIELD FUEL DISP SYS	--	1,899	--	1,899	--	1,899	--	1,899	---	---
TOPOGRAPHIC-SURVEY EQUIPMENT	--	908	--	908	--	908	--	908	---	---
WET GAP BRIDGE SYSTEM	168	5,628	168	5,628	168	5,628	168	5,628	---	---
BOAT BRIDGE	--	---	--	---	--	---	--	---	---	---
POWER EQUIPMENT ASSORTED	--	1,272	--	1,272	--	1,272	--	1,272	---	---
MOB ELECT POWER DIST SYS (MEPDIS)	--	---	--	---	--	---	--	---	---	---
MATERIALS HANDLING EQUIPMENT										
COMMAND SUPPORT EQUIPMENT	--	6,792	--	6,792	--	6,792	--	6,792	---	---
HQ SPT EQ	--	3,374	--	3,374	--	3,374	--	3,374	---	---
GARRISON MOBILE ENGR EQUIP	--	3,838	--	3,838	--	3,838	--	3,838	---	---
TELEPHONE SYSTEM	--	---	--	---	--	---	--	---	---	---
AUTO MAT HANDLING EQUIP	--	959	--	959	--	959	--	959	---	---
HQMC ITEMS	--	327	--	327	--	327	--	327	---	---
MATERIEL HANDLING EQUIP	--	2,290	--	2,290	--	2,290	--	2,290	---	---
GENERAL PROPERTY										
LTWT DECONTAMINAION SYSTEM	276	3,409	276	3,409	276	3,409	276	3,409	---	---
TRN DEVICES (AUDIO VISUAL)	--	1,440	--	1,440	--	1,440	--	1,440	---	---
TRN DEVICES (SIMULATORS)	--	9,862	--	9,862	--	9,862	--	9,862	---	---
SHELTER FAMILY	--	---	--	---	--	---	--	---	---	---
CONTAINER FAMILY	1,859	3,002	1,859	3,002	1,859	3,002	1,859	3,002	---	---
CHEMICAL ALARM SYSTEM	386	916	386	916	386	916	386	916	---	---
DECON APPARATUS PWR DRIVEN	--	---	--	---	--	---	--	---	---	---

OTHER SUPPORT										
MODIFICATION KITS	--	---	--	---	--	---	--	---	---	---
ITEMS LESS THAN $2 MILLION	--	4,913	--	4,913	--	4,913	--	4,913	---	---
TOTAL, ENGINEER AND OTHER EQUIPMENT		187,770		187,770		187,770		187,770	---	---
SPARES & REPAIR PARTS										
SPARES AND REPAIR PARTS	--	29,692	--	29,692	--	29,692	--	29,692	---	---
REPLENISHMENT SPARES	--	---	--	---	--	---	--	---	---	---
TOTAL, SPARES AND REPAIR PARTS		29,692		29,692		29,692		29,692	---	---
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
GENERAL REDUCTION	--	---	--	---	--	---	--	---	---	---
TOTAL, PROCUREMENT, MARINE CORPS		1,402,440		1,333,575		1,273,332		1,332,827	-69,613	+59,495
TRANSFER FROM OTHER ACCOUNTS		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE		1,402,440		1,333,575		1,273,332		1,332,827	-69,613	+59,495

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
AIRCRAFT PROCUREMENT, AIR FORCE										
COMBAT AIRCRAFT										
STRATEGIC OFFENSIVE										
TACTICAL FORCES										
AIR DEFENSE COMPETITION	--	---	--	---	--	---	--	---	---	---
AIR DEFENSE COMPETITION (AP-CY)	--	---	--	---	--	---	--	---	---	---
F-15 D/E	42	1,384,200	42	1,334,200	36	1,186,456	42	1,334,200	-50,000	+147,744
F-15 D/E (AP-CY)	--	154,200	--	154,200	--	154,200	--	154,200	---	---
F-16 C/D (MYP)	180	2,223,668	180	2,173,668	180	2,048,668	180	2,173,668	-50,000	+125,000
F-16 C/D (MYP) (AP-CY)	--	475,900	--	475,900	--	475,900	--	475,900	---	---
OTHER COMBAT AIRCRAFT										
KC-10A (ATCA) (MYP)	--	---	--	---	--	---	--	---	---	---
MC-130H	7	356,500	7	329,000	6	309,500	7	329,000	-27,500	+19,500
MC-130H (AP-CY)	--	15,800	--	15,800	--	15,800	--	15,800	---	---
AC-130U GUNSHIP	5	217,800	5	217,800	--	---	--	---	-217,800	---
AC-130U GUNSHIP (AP-CY)	--	59,200	--	35,300	--	18,200	--	18,200	-41,000	---
TOTAL, COMBAT AIRCRAFT		4,887,268		4,735,868		4,208,724		4,500,968	-386,300	+292,244
AIRLIFT AIRCRAFT										
STRATEGIC AIRLIFT										
C-5B	--	---	--	---	--	---	--	---	---	---

COMMITTEE RECOMMENDED ADJUSTMENTS

COMBAT AIRCRAFT

F-15E fighter.—The President's request includes $1,384,200,000 for procurement of 42 F-15E aircraft. The Committee recommends $1,334,200,000, a reduction of $50,000,000. This is the same level as recommended for authorization, and $147,744,000 above the House allowance.

F-16 fighter.—The budget includes $2,223,668,000 for 180 F-16 aircraft under a multiyear contract. The Committee recommends a $50,000,000 reduction from this level. The Committee notes that each year price savings have occurred during execution of the contract and includes a reduction in anticipation of continued savings. The allowance is $125,000,000 above the House.

AC-130U gunship.—The Committee recommends deferring the AC-130U gunship program until 1989. This recommendation is consistent with past recommendations of the Congress in the 1987 appropriations and supplemental acts and the same as the House.

The current Air Force plan includes construction and testing of a prototype aircraft funded with research and development funds. The Committee has supported these ongoing efforts. However, the prototype testing will not be completed until 1990, long after the funds have been allocated for production. Noting the problems which other Air Force programs have experienced when based on concurrent development and production, and the critical shortfall of available funds, the Committee does not believe it is prudent to proceed with production of the aircraft until it is clear that the design and testing of the overall system have been more fully defined.

AC-130U advance procurement.—The Committee recommends $18,200,000 for advance procurement for the AC-130U program. This funding is consistent with the deferral of the program until 1989. The allowance is $41,000,000 below the budget request, and the same as the House.

MC-130 special operations aircraft.—The Committee recommends $329,000,000 for procurement of seven MC-130 combat talon aircraft. The allowance is a reduction of $27,500,000 from the request and the same as the authorization level. The House provided $309,500,000 for six MC-130 aircraft.

AIRLIFT AIRCRAFT

C-17 transport.—The Committee recommends $589,000,000 for production of two C-17 aircraft. This is a reduction of $28,900,000 from the request for support costs, and $39,000,000 above the House.

C-27.—The Committee recommends no funding for the C-27 short takeoff and landing aircraft program. The C-27 program is designed to provide a short takeoff aircraft capability in Central America. Considering the shortage of available funds in the current budget and the unlikely change in this posture in the future, the Committee does not recommend the initiation of this new program. The House fully funded this program.

MH-60G Pave Hawk.—The Air Force is modernizing its combat rescue and special operations capability by modifying UH-60 helicopters with special mission equipment. Ten existing helicopters are being modified as MH-60G's with nine more recently approved for purchase and conversion through a reprogramming. The Air Force requested an additional $112,500,000 through a reprogramming for 12 more aircraft. The source of funds for this reprogramming was denied by the Armed Services Committees.

The Committee supports the requirement to modernize combat rescue capability, but is concerned that the Air Force has proceeded without requesting funds in a formal budget submission. Therefore, if the Air Force plans to continue this program it should include funding for additional MH-60G helicopters in its fiscal year 1989 budget submission.

MODIFICATION OF IN-SERVICE AIRCRAFT

KC-135R modification. The budget request includes $629,500,000 KC-135 modifications, including acquistion and installation of 36 kits to reconfigure older KC-135A aircraft to the KC-135R model. The GAO estimates the cost of 36 kits at $37,600,000 less than the amount requested. On that basis, the Committee recommends $591,900,000 for the program. This amount is $174,200,000 below the House which provided 50 kits.

A-7 modifications.—The Committee recommends $10,700,000 for A-7 modifications. This is $10,000,000 above the request and the House allowance. The $10,000,000 increase is to initiate advance procurement of the A-7 strikefighter program.

B-52 modifications.—The Committee provides $253,900,000 for B-52 modifications, a reduction of $16,800,000 from the request and $15,200,000 more than the House.

Classified modifications.—The Committee recommends a reduction of $30,000,000 for classified modification programs.

A-10.—The Committee recommends $12,240,000 for A-10 modifications, a reduction of $1,360,000 from the budget request and the same as the House allowance.

TR-1A.—The Committee recommends $9,867,000 for TR-1A modifications, a reduction of $1,033,000 and the same as the House allowance.

OTHER MISCELLANEOUS ADJUSTMENTS

Spare and repair parts.—The Committee recommends $2,465,967,000 for spare parts. The allowance is a reduction of $500,000,000 from the request. The Air Force has been able to fund 1986 and 1987 requirements for spare parts with 1985 funds according to a review by the General Accounting Office. As of September 15, 1987, obligation of spare parts funds were running 31 percent behind OSD required levels equating to $689,000,000 from 1987 funds. Data from the Air Force

Logistics Command indicate that obligations are low based on the use of excess prior-year funds to offset requirements in 1987. While obligation rates by September 30 had improved, the Committee believes the use of prior-year excess funds reduces the requirements for fiscal year 1988.

The recommendation by the Committee notes that in addition to savings from prior-year funds, the request overstates costs on the F–15E engine requirements. Further, changes in the 1987 supplemental defer a portion of the initial spares requirements for special operations aircraft. Additional reductions are available through deferral of C–17 spare engines, denial of the C–27 program, and deferral of the AC–130U program.

Common ground equipment.—The Air Force request includes $23,000,000 for the large aircraft shaft system [LASS] within overall funds for common ground equipment. The LASS Program was funded with excess 1986 funds; therefore, no funds are required in fiscal year 1988 for the program. Accordingly the Committee recommends $198,300,000 for common ground equipment, a reduction of $23,000,000 from the request.

Other production charges.—The Committee recommends $3,075,733,000, a decrease of $60,200,000 from the budget request for classified programs and miscellaneous authorization changes.

Common electronic countermeasures equipment.—The Committee recommends $185,357,000 for common ECM equipment. This is a reduction of $36,543,000 from the request. A review by the GAO states that USM–464 and NAVSTAR GPS support requirements are overstated. The House provided $178,667,000 for this program.

Missile Procurement, Air Force

1987 appropriation	$7,446,718,000
1988 budget estimate	9,772,693,000
House allowance	7,810,893,000
Committee recommendation	7,780,295,000

The Committee recommends an appropriation of $7,780,295,000. This is $1,992,398,000 below the President's budget and $30,598,000 less than the House allowance.

This appropriation finances the construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories, ground-handling equipment, and training devices; and expansion of public and private plants, Government-owned equipment, and installation.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
TACTICAL AIRLIFT										
C-17	2	617,900	2	617,900	2	550,000	2	589,000	-28,900	+39,000
C-17 (AP-CY)	--	66,300	--	66,300	--	66,300	--	66,300	---	---
OTHER AIRLIFT										
C-27	5	65,900	--	---	5	65,900	--	---	-65,900	-65,900
TOTAL, AIRLIFT AIRCRAFT		750,100		684,200		682,200		655,300	-94,800	-26,900
TRAINER AIRCRAFT										
UPT TRAINERS										
T-46A (NGT)	--	---	--	---	--	---	--	---	---	---
T-46A (NGT) (AF-CY)	--	---	--	---	--	---	--	---	---	---
TOTAL, TRAINER AIRCRAFT		---		---		---		---	---	---
OTHER AIRCRAFT										
HELICOPTERS										
MISSION SUPPORT AIRCRAFT										
CIVIL AIR PATROL A/C	38	600	38	600	38	1,500	38	600	---	-900
TR-1/U-2	--	10,700	--	10,700	--	10,700	--	10,700	---	---
TOTAL, OTHER AIRCRAFT		11,300		11,300		12,200		11,300	---	-900

MODIFICATION OF INSERVICE AIRCRAFT

STRATEGIC AIRCRAFT										
B-52	--	270,700	--	253,900	--	238,700	--	253,900	-16,800	+15,200
FB-111	--	800	--	800	--	800	--	800	---	---
B-1B	--	4,600	--	4,600	--	4,600	--	4,600	---	---
TACTICAL AIRCRAFT										
A-7	--	700	--	10,700	--	700	--	10,700	+10,000	+10,000
A-10	--	13,600	--	12,240	--	12,240	--	12,240	-1,360	---
F/RF-4	--	10,400	--	10,400	--	10,400	--	10,400	---	---
F-5	--	4,300	--	4,300	--	4,300	--	4,300	---	---
F-15	--	161,200	--	167,300	--	97,400	--	161,200	---	+63,800
F-16	--	76,300	--	76,300	--	76,300	--	76,300	---	---
F-111	--	253,100	--	253,100	--	253,100	--	253,100	---	---
TR-1A	--	10,900	--	9,867	--	9,867	--	9,867	-1,033	---
T/AT-37	--	12,400	--	12,400	--	12,400	--	12,400	---	--
AIRLIFT AIRCRAFT										
C-5	--	16,900	--	16,900	--	16,900	--	16,900	---	---
C-9	--	2,700	--	2,700	--	2,700	--	2,700	---	---
C-137	--	1,800	--	1,800	--	1,800	--	1,800	---	---
C-141	--	17,100	--	22,600	--	11,565	--	17,100	---	+5,535
TRAINER AIRCRAFT										
T-38	--	13,800	--	13,800	--	13,800	--	13,800	---	--
T-43	--	400	--	400	--	400	--	400	---	---
OTHER AIRCRAFT										
KC-10A (ATCA)	--	13,200	--	13,200	--	13,200	--	13,200	---	---
C-130	--	217,500	--	250,400	--	197,877	--	217,500	---	+19,623
C-135	--	629,500	--	793,500	--	766,100	--	591,900	-37,600	-174,200
E-3	--	27,700	--	27,700	--	27,700	--	27,700	---	---
E-4	--	---	--	---	--	---	--	---	---	---
H-1	--	1,700	--	1,700	--	1,700	--	1,700	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
H-3 AIRCRAFT SYSTEM..................................	--	200	--	200	--	200	--	200	---	---
HH-53 AIRCRAFT.......................................	--	400	--	400	--	400	--	400	---	---
OTHER AIRCRAFT.......................................	--	62,000	--	62,000	--	62,000	--	62,000	---	---
OTHER MODIFICATIONS										
CLASSIFIED PROJECTS..................................	--	83,728	--	53,728	--	73,300	--	53,728	-30,000	-19,572
GROUND PROXIMITY WARNING SYS.........................	--	---	--	---	--	---	--	---	---	---
TOTAL, MODIFICATION OF INSERVICE AIRCRAFT...........		1,907,628		2,076,935		1,910,449		1,830,835	-76,793	-79,614
AIRCRAFT SPARES AND REPAIR PARTS										
SPARES AND REPAIR PARTS..............................	--	2,965,967	--	2,654,467	--	2,285,406	--	2,465,967	-500,000	+180,561
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
COMMON GROUND EQUIPMENT..............................	--	221,275	--	221,275	--	198,166	--	198,275	-23,000	+109
INDUSTRIAL RESPONSIVENESS............................	--	40,000	--	40,000	--	40,000	--	40,000	---	---
WAR CONSUMABLES......................................	--	50,000	--	50,000	--	50,000	--	50,000	---	---
OTHER PRODUCTION CHARGES.............................	--	3,135,933	--	3,324,686	--	1,816,543	--	3,075,733	-60,200	+1,259,190
COMMON ECM EQUIPMENT.................................	--	221,900	--	221,900	--	178,667	--	185,357	-36,543	+6,690
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES....		3,669,108		3,857,861		2,283,376		3,549,365	-119,743	+1,265,989
INFLATION SAVINGS, FY87..............................	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE.................................	--	---	--	---	--	---	--	---	---	---

GENERAL REDUCTION, PRIOR YEAR SAVINGS.................	--	--	--	-796,300	--	---	--	---	---	---
(BY TRANSFER)..	--	---	--	(796,300)	--	---	--	---	---	---
TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE..............		14,191,371		13,224,331		11,382,355		13,013,735	-1,177,636	+1,631,380
TRANSFER FROM OTHER ACCOUNTS..................		---		(796,300)		---		---	---	---
TOTAL FUNDING AVAILABLE.......................		14,191,371		14,020,631		11,382,355		13,013,735	-1,177,636	+1,631,380

COMMITTEE RECOMMENDED ADJUSTMENTS

OTHER MISSILES

AIM-7 F/M Sparrow.—The administration has requested $99,462,000 for procurement of 558 Sparrow missiles. The House has recommended funding the full budget request.

The Committee recommends $84,462,000 for 558 Sparrow missiles, a $15,000,000 reduction in anticipation of contract savings as a result of competition for an increased buy over budgeted levels due to the addition of 600 Sparrow missiles to the Navy request.

AGM-130.—The Air Force requested $43,754,000 to procure 121 AGM-130 missiles in fiscal year 1988. The House has recommended denying the full budget request.

The Committee also denies the Air Force's fiscal year 1988 procurement request due to failures in the engineering flight test program. The Air Force does not anticipate awarding a low rate production contract until fiscal year 1989.

AGM-65D IIR Maverick.—The Air Force requested $354,605,000 for the procurement of 2,100 missiles. The House recommended $325,000,000, a reduction of $29,605,000 from the budget request.

The Committee recommends $254,605,000 for 2,000 Maverick missiles, a reduction of $100,000,000 and 100 missiles.

This level, when combined with the Navy recommendation, holds the production rate to the fiscal year 1987 levels. This dollar reduction also reflects a significant savings over the budget as a result of competition.

AGM-88A Harm missile.—The Air Force requested $422,945,000 to procure 1,748 AGM-88A Harm missiles in fiscal year 1988. The House has recommended $359,654,000 and 1,548 missiles, a reduction of $63,291,000 and 200 missiles below the budget request.

The Committee recommends an allowance of $373,645,000 for 1,574 missiles, a reduction of $49,300,000 and 174 missiles below the request. This reduction, when combined with the Navy's program and projected foreign military sales, will sustain the 1986 and 1987 production rates of approximately 210 missiles per month. This recommendation is consistent with past Committee recommendations to hold down production rates of the Harm missile until low cost and block IV seeker designs are ready for competition and production.

AMRAAM.—The Air Force has requested $832,882,000 to produce 630 advanced medium range air-to-air missiles [AMRAAM] in fiscal year 1988. This is an increase of $295,554,000 and 450 missiles over fiscal year 1987 appropriated levels. The House has recommended $680,800,000 to procure 500 missiles in fiscal year 1988, a reduction of $152,082,000 and 130 missiles below the budget request.

Development flight testing is only 40 percent complete and about 7 months behind schedule. Further, the interim missile design is still undergoing engineering changes and software revisions. In light of this development status, the Committee is not convinced the Air Force can realistically attain the requested average monthly production rate of 53 missiles, a 350-percent increase over the fiscal year 1987 levels. The Committee further notes comparative production build-up rates for other, less sophisticated, missiles such as Harm, Phoenix, Harpoon, and air launched cruise missile are considerably lower than AMRAAM.

The Committee, therefore, recommends $659,000,000 for the production of 384 AMRAAM missiles, thereby allowing for a more realistic average production rate of 32 missiles per month.

Ground launched cruise missile [GLCM].—The administration requested $70,792,000 for procurement of 37 ground launched cruise missiles and $15,400,000 for the modification program. The House has denied the Air Force's fiscal year 1988 request.

In light of the recently announced agreement in principle on a reduction of intermediate nuclear forces, the Committee recommends deferring further production and modification of GLCM's.

OTHER SUPPORT

Global positioning satellite [GPS].—The Air Force requested $92,605,000 to procure four GPS satellites in fiscal year 1988. The House has recommended fully funding the budget request.

The Air Force decision to take GPS satellites off the shuttle for launch on medium launch vehicles [MLV] has caused a slip in the program. The Department has slowed the GPS production line to aline satellites coming off the assembly line with their new launch dates. Because of the program delays, GAO has identified $12,800,000 in fiscal year 1988 funds excess to the launch and orbital support cost requirements of GPS flights.

Space shuttle operations.—The Air Force requested $108,051,000 for space shuttle operations in fiscal year 1988. The House has recommended $88,451,000, a reduction of $19,600,000 from the budget request.

Before the *Challenger* accident in January 1986, the Air Force had contracted for 28 payload assist modules [PAM–DII] for GPS satellite launches from the shuttle. Because of the delays, the Air Force has moved most of the GPS launches to the new medium launch vehicle which do not use the PAM–D's as an upper stage. Therefore, in February 1987, the Air Force terminated work on PAM–D numbers 17–28. This will save $17,900,000 in fiscal year 1988. Further, performance incentives are excess by $1,700,000 in the fiscal year 1988 budget due to the restructuring.

Defense meteorological satellite [DMSP].—The administration has requested multiyear procurement approval for the next five satellites for fiscal years 1989 through 1991 using $91,700,000 in advance procurement funds in fiscal year 1988. The House recommended approval of the multiyear request and provided $83,879,000 in advance procurement funding, a $7,821,000 reduction from the budget request. A GAO report submitted to Congress stated the administration's cost data was not well documented, and the program does not meet the stable design requirements. Further, the Committee is concerned with the continued slippage in the space recovery program and does not want the Air Force tied to a multiyear delivery schedule which may not be supportable by available launch vehicles.

The Committee denies the multiyear request and reduces the advance procurement line by $25,800,000.

Medium launch vehicle Delta II.—The Air Force requested $197,900,000 to procure four Delta II medium launch vehicles in fiscal year 1988. The House has recommended $182,600,000, a reduction of $15,300,000 from the budget request.

The Committee agrees with this House adjustment.

Favorable multiyear contract negotiations for the first 20 Delta II's have resulted in significant savings over the budgeted amounts. Program officials have informed the Committee that $15,300,000 in fiscal year 1988 funds have been identified excess to their requirements for the MLV multiyear contract.

AUTHORIZATION CHANGES

The Committee recommends the following adjustments in accordance with authorization conference action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Peacekeeper (MX)	1,259,949	864,000	-395,949
Missile replacement—EQ. ballistic	54,559	53,850	-709
Missile replacement—EQ. other	7,610	7,285	-325
Spares	224,116	207,552	-16,594
Defense satellite communication system	75,870	71,900	-3,970
Space defense system	21,800		-21,800

HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
AIM-9 L/M Sidewinder	53,051	69,051	53,051
Minuteman modifications	119,223	51,700	103,700

OTHER PROCUREMENT, AIR FORCE

1987 appropriation	$9,326,326,000
1988 budget estimate	8,570,482,000
House allowance	8,082,632,000
Committee recommendation	7,913,593,000

The Committee recommends an appropriation of $7,913,593,000 for other procurement, Air Force. The recommendation is a decrease of $656,889,000 from the budget and $169,039,000 less than the House allowance.

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the budget request and the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
MISSILE PROCUREMENT, AIR FORCE										
BALLISTIC MISSILES										
STRATEGIC										
PEACEKEEPER (M-X)	21	1,259,949	12	864,000	12	864,000	12	864,000	-395,949	---
MISSILE REPLACEMENT EQUIPMENT - BALLIST										
MISSILE REPLACEMENT EQ-BALLISTIC	--	54,559	--	54,559	--	53,850	--	53,850	-709	---
TOTAL, BALLISTIC MISSILES		1,314,508		918,559		917,850		917,850	-396,658	---
OTHER MISSILES										
STRATEGIC										
AIR LAUNCH CRUISE MISSILE	--	2,347	--	2,347	--	2,347	--	2,347	---	---
TACTICAL										
AIM-7F/M SPARROW	558	99,462	758	134,462	558	99,462	558	84,462	-15,000	-15,000
AIM-9L/M SIDEWINDER	956	53,051	1,256	69,051	1,256	69,051	956	53,051	---	-16,000
AGM-130 POWERED GBU-15	121	43,754	--	---	--	---	--	---	-43,754	---
AGM-65D MAVERICK (MYP)	2,100	354,605	2,100	325,000	2,100	325,000	2,000	254,605	-100,000	-70,395
AGM-88A HARM	1,748	422,945	1,748	402,654	1,548	359,654	1,574	373,645	-49,300	+13,991
RAPIER	--	31,200	--	31,200	--	31,200	--	31,200	---	---
AMRAAM	630	832,882	500	743,100	500	680,800	384	659,000	-173,882	-21,800
AMRAAM (AP-CY)	--	---	--	---	--	---	--	---	---	---
GRD LAUNCH CRUISE MISSILE	37	70,792	--	---	--	---	--	---	-70,792	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
GRD LAUNCH CRUISE MISSILE (AP-CY)......................	--	---	--	---	--	---	--	---	---	---
STINGER..	--	---	--	---	--	---	--	---	---	---
TARGET DRONES										
TARGET DRONES..	48	11,040	48	11,040	48	11,040	48	11,040	---	---
INDUSTRIAL FACILITIES										
INDUSTRIAL FACILITIES................................	--	13,517	--	13,517	--	13,517	--	13,517	---	---
MISSILE REPLACEMENT EQUIPMENT - OTHER										
MISSILE REPLACEMENT EQ-OTHER.........................	--	7,610	--	7,610	--	7,285	--	7,285	-325	---
TOTAL, OTHER MISSILES................................		1,943,205		1,739,981		1,599,356		1,490,152	-453,053	-109,204
MODIFICATION OF INSERVICE MISSILES										
CLASS IV...	--	---	--	---	--	---	--	---	---	---
MM II/III MODIFICATIONS..............................	--	119,223	--	103,700	--	51,700	--	103,700	-15,523	+52,000
AGM-88A HARM...	--	2,245	--	2,245	--	2,245	--	2,245	---	---
AIR LAUNCH CRUISE MISSILE............................	--	7,381	--	7,381	--	7,381	--	7,381	---	---
GRD LAUNCH CRUISE MISSILE............................	--	15,400	--	---	--	---	--	---	-15,400	---
PEACEKEEPER (M-X)....................................	--	1,311	--	1,311	--	1,311	--	1,311	---	---
MODIFICATIONS UNDER $2.0M............................	--	232	--	232	--	232	--	232	---	---
TOTAL, MODIFICATION OF INSERVICE MISSILES...........		145,792		114,869		62,869		114,869	-30,923	+52,000

MISSILE SPARES + REPAIR PARTS										
SPARES AND REPAIR PARTS	--	224,116	--	222,919	--	164,248	--	207,522	-16,594	+43,274
OTHER SUPPORT										
SPACE PROGRAMS										
SPACEBORNE EQUIP (COMSEC)	--	23,682	--	23,682	--	23,682	--	23,682	---	---
GLOBAL POSITIONING (MYP)	4	92,605	4	92,605	4	92,605	4	79,805	-12,800	-12,800
SPACE SHUTTLE OPERATIONS (MYP)	--	108,051	--	92,486	--	88,451	--	88,451	-19,600	---
DEF METEOROLOGICAL SAT PROG (MYP)	--	5,746	--	5,746	--	5,746	--	5,746	---	---
DEF METEOROLOGICAL SAT PROG (MYP) (AP-CY)	--	91,700	--	83,879	--	83,879	--	65,900	-25,800	-17,979
DEFENSE SUPPORT PROGRAM (MYP)	1	328,743	1	328,743	1	328,743	1	328,743	---	---
DEFENSE SUPPORT PROGRAM (MYP) (AP-CY)	--	63,100	--	63,100	--	63,100	--	63,100	---	---
DEFENSE SATELLITE COMM SYSTEM (MYP)	1	75,870	1	71,900	1	65,389	1	71,900	-3,970	+6,511
DEFENSE SATELLITE COMM SYSTEM (MYP) (AP-CY)	--	---	--	---	--	---	--	---	---	---
SPACE BOOSTERS (MYP)	9	306,412	9	306,412	9	306,412	9	306,412	---	---
SPACE BOOSTERS (MYP) (AP-CY)	--	168,000	--	168,000	--	168,000	--	168,000	---	---
SPACE DEFENSE SYSTEM (AP-CY)	--	21,800	--	---	--	---	--	---	-21,800	---
MEDIUM LAUNCH VEHICLE	4	197,900	4	197,900	4	182,600	4	182,600	-15,300	---
SPACE RECOVERY PROGRAM	--	---	--	---	--	---	--	316,000	+316,000	+316,000
SPECIAL PROGRAMS										
OTHER PROGRAMS	--	24	--	24	--	24	--	24	---	---
FOREST GREEN	--	---	--	---	--	---	--	---	---	---
IONDS (MYP)	--	22,483	--	22,483	--	22,483	--	22,483	---	---
SPECIAL PROGRAMS	--	2,273,465	--	2,218,665	--	2,114,565	--	2,142,365	-131,100	+27,800
SPECIAL UPDATE PROGRAMS	--	1,236,200	--	403,200	--	1,236,200	--	436,200	-800,000	-800,000
CLASSIFIED PROGRAMS	--	1,129,291	--	603,391	--	284,691	--	748,491	-380,800	+463,800
TOTAL, OTHER SUPPORT		6,145,072		4,682,216		5,066,570		5,049,902	-1,095,170	-16,668
PAVE TIGER	--	---	--	95,800	--	---	--	---	---	---
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
PROFIT POLICY CHANGE	--	---	--	--	--	---	--	---	---	---
PRIOR YEAR SAVINGS	--	---	--	-165,000	--	---	--	---	---	---
(BY TRANSFER)	--	---	--	(165,000)	--	---	--	---	---	---
TOTAL, MISSILE PROCUREMENT, AIR FORCE		9,772,693		7,609,344		7,810,893		7,780,295	-1,992,398	-30,598
TRANSFER FROM OTHER ACCOUNTS		---		(165,000)		---		---	---	---
TOTAL FUNDING AVAILABLE		9,772,693		7,774,344		7,810,893		7,780,295	-1,992,398	-30,598

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
OTHER PROCUREMENT, AIR FORCE										
MUNITIONS AND ASSOCIATED EQUIPMENT										
ROCKETS + LAUNCHERS										
2.75 INCH ROCKET MOTOR	74,135	17,305	74,135	17,305	74,135	17,305	74,135	17,305	---	---
2.75 INCH ROCKET HEAD - WP	93,888	7,234	93,888	7,234	93,888	7,234	93,888	7,234	---	---
LIGHT ANTI-TANK TACTICAL AT-4	2,500	1,961	2,500	1,961	2,500	1,961	2,500	1,961	---	---
ITEMS LESS THAN $2,000,000	--	3,519	-	3,519	--	3,519	--	3,519	---	---
CARTRIDGES (THOUSANDS)										
9MM PARABELLUM	4,310	591	4,310	591	4,310	591	4,310	591	---	--
7.62 MM BLANK, LINKED	--	---	--	---	--	---	--	---	---	---
5.56 MM	20,491	2,915	30,491	4,315	30,491	4,315	20,491	2,915	---	-1,400
20 MM COMBAT	2,854	12,369	3,854	16,669	3,854	16,669	2,854	12,369	---	-4,300
20MM TRAINING	4,477	13,986	5,477	17,086	5,477	17,086	4,477	13,986	---	-3,100
30 MM TRAINING	9,732	81,705	9,732	81,705	8,300	69,705	8,300	69,705	-12,000	---
30 MM API	--	---	--	---	--	---	--	---	---	---
81 MM	--	---	--	---	--	---	--	---	---	---
40MM TP GRENADES	--	---	--	---	--	---	--	---	---	---
40MM HE GRENADES	191	2,002	191	2,002	191	2,002	191	2,002	---	---
CART CHAFF RR-170	--	3,354	--	3,354	--	3,354	--	3,354	---	---
SIGNAL MK-4 MOD 3	1,274	1,362	1,274	1,362	1,274	1,362	1,274	1,362	---	---
MXU-4A/A ENGINE STARTER	72	7,694	72	7,694	72	7,694	72	5,700	-1,994	-1,994
CART IMP 3000 FT/LBS	1,586	3,780	1,586	3,780	1,586	3,780	1,586	3,780	---	---
ITEMS LESS THAN $2,000,000	--	9,195	--	11,695	--	9,195	--	9,195	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
BOMBS										
MK-82 INERT/BDU-50....................................	--	---	--	---	--	---	--	---	---	---
DURANDAL..	--	---	--	---	--	---	--	---	---	---
TIMER ACTUATOR FIN FUZE...............................	14,000	3,988	14,000	3,988	14,000	3,988	14,000	3,988	---	---
BSU-49 INFLATABLE RETARDER............................	26,196	9,322	26,196	9,322	26,196	9,322	26,196	7,100	-2,222	-2,222
BSU-50 INFLATABLE RETARDER............................	3,704	4,252	3,704	4,252	3,704	4,252	3,704	4,252	---	---
BOMB 2000 LB HIGH EXPLOSIVE...........................	2,500	5,775	2,500	5,775	2,500	5,775	2,500	5,775	---	---
BOMB HARD TARGET 2000LB...............................	2,340	32,567	3,780	52,567	2,340	32,567	2,340	32,567	---	---
GBU-15..	--	---	--	---	--	--	--	---	---	---
BOMB PRACTICE 25 POUND................................	1274,000	16,393	1274,000	16,393	849,000	10,893	849,000	10,893	-5,500	--
MK-84 BOMB-EMPTY......................................	1,279	2,157	1,279	2,157	1,279	2,157	1,279	2,157	---	---
CBU-89(TMD/GATOR).....................................	--	---	--	---	--	---	--	---	---	---
MECHANICAL DIVERTERS..................................	2,800	9,807	--	---	--	---	--	---	-9,807	---
CBU-87(COMBINED EFFECTS MUNITION).....................	14,840	277,120	14,840	277,120	14,840	277,120	14,840	267,120	-10,000	-10,000
BIGEYE..	--	14,753	--	---	--	---	--	---	-14,753	--
ITEMS LESS THAN $2,000,000............................	--	25	--	25	--	25	--	25	---	---
TARGETS										
AERIAL TOW TARGET.....................................	--	---	--	---	--	---	--	---	---	---
ITEMS LESS THAN $2,000,000............................	--	1,248	--	1,248	--	1,248	--	1,248	---	---
OTHER ITEMS										
FLARE, IR MJU-7B......................................	563,280	9,013	563,280	9,013	563,280	9,013	563,280	9,013	---	---
PARACHUTE FLARE LUU-2 B/B.............................	10,000	3,702	10,000	3,702	10,000	3,702	10,000	3,702	---	---
FLARE, IR MJU-2.......................................	--	---	--	---	--	---	--	---	---	---
FLARE IR (B1B)..	2,000	1,962	--	---	--	---	2,000	1,962	---	+1,962
MJU-10B...	396,000	18,642	396,000	18,642	231,000	10,842	231,000	10,842	-7,800	--
CHAFF PACKAGE RR-141A/L...............................	--	---	--	---	--	---	--	--	---	---

SPARES AND REPAIR PARTS	--	4,234	--	4,234	--	4,234	--	4,234	---	---
MODIFICATIONS	--	587	--	34,587	--	26,587	--	587	---	-26,000
ITEMS LESS THAN $2,000,000	--	18,700	--	18,700	--	18,700	--	18,700	---	---
FUZES										
FMU-139	47,566	39,967	47,566	39,967	47,566	28,967	47,566	39,967	---	+11,000
ITEMS LESS THAN $2,000,000	--	7	--	7	--	7	--	7	---	---
OTHER WEAPONS										
M-203 GRENADE LAUNCHER	40	24	40	24	40	24	40	24	---	---
MACHINE GUN, 7.62MM, M-60	18	61	18	61	18	61	18	61	---	---
9MM HANDGUN	20,000	4,146	20,000	4,146	20,000	4,146	20,000	4,146	---	---
SHOTGUN - 12 GAGE	--	---	--	---	--	---	--	---	---	---
NATIONAL RIFLE - M14	--	---	--	---	--	---	--	---	---	---
HOST NATION SUPPORT WEAPONS	700	1,445	700	1,445	700	1,445	700	1,445	---	---
TOTAL, MUNITIONS AND ASSOCIATED EQUIPMENT		648,869		687,647		620,847		584,793	-64,076	-36,054
VEHICULAR EQUIPMENT										
PASSENGER CARRYING VEHICLES										
SEDAN, 4 DR 4X2	454	3,355	454	3,355	415	3,073	454	3,355	---	+282
STATION WAGON, 4X2	236	1,961	236	1,961	236	1,961	236	1,961	---	---
BUS, 28 PASSENGER	124	4,195	124	4,195	124	4,195	124	4,195	---	---
BUS INTERCITY	7	1,230	7	1,230	7	1,230	7	1,230	---	---
BUS, 44 PASSENGER	91	4,320	--	---	40	1,894	--	---	-4,320	-1,894
AMBULANCE, BUS	31	2,596	31	2,596	31	2,596	31	2,596	---	---
MODULAR AMBULANCE	112	3,925	112	3,925	112	3,925	112	3,925	---	---
14-20 PASSENGER BUS	17	474	17	474	17	474	17	474	---	---
LAW ENFORCEMENT VEHICLE	241	1,918	241	1,918	241	1,918	241	1,918	---	---
CARGO + UTILITY VEHICLES										
TRUCK, STAKE/PLATFORM	629	10,361	629	10,361	516	8,521	629	10,361	---	+1,840
TRUCK, CARGO-UTILITY, 3/4T, 4X4	617	7,544	617	7,544	304	3,230	617	7,544	---	+4,314

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
TRUCK, CARGO-UTILITY, 1/2T, 4X2	419	4,265	419	4,265	304	3,102	419	4,265	---	+1,163
TRUCK, PICKUP, 1/2T, 4X2	885	6,693	385	6,693	885	6,693	885	6,693	---	---
TRUCK, PICKUP, COMPACT	622	3,562	622	3,562	622	3,562	622	3,562	---	---
TRUCK MULTI-STOP 1 TON 4X2	486	7,285	486	7,285	486	7,285	486	7,285	---	---
TRUCK, PANEL, 4X2	338	2,865	338	2,865	338	2,865	338	2,865	---	---
TRUCK CARRYALL	543	6,951	543	6,951	543	6,951	543	6,951	---	---
TRUCK, CARGO, 2 1/2T, 6X6, M-35	335	17,651	335	17,651	286	15,083	335	17,651	---	+2,568
TRUCK CARGO 5T M-923.M-925	75	4,670	75	4,670	75	4,670	75	4,670	---	---
TRUCK, CARGO, 2 1/2T	--	---	--	---	--	---	--	---	---	---
HIGH MOBILITY VEHICLE (MYP)	139	3,414	139	3,414	139	3,414	139	3,414	---	---
TRUCK, TRACTOR, 5T	--	---	--	---	--	---	--	---	---	---
TRUCK TRACTOR 5T M-932 (MYP)	--	---	--	---	--	---	--	---	---	---
TRUCK TRACTOR, OVER 5T	245	11,121	97	4,424	97	4,424	97	4,424	-6,697	---
TRUCK WRECKER 5T M936 (MYP)	--	---	--	---	--	---	--	---	---	---
TRUCK, DUMP 5 TON	139	6,450	139	6,450	139	6,450	139	6,450	---	---
TRUCK, UTILITY	346	3,694	346	3,694	346	3,694	346	3,694	---	---
ITEMS LESS THAN $2,000,000	--	14,683	--	14,683	--	14,683	--	14,683	---	---
SPECIAL PURPOSE VEHICLES										
TRUCK MAINT 4X2	385	3,932	320	3,267	320	3,267	320	3,267	-665	---
TRUCK, MAINT, HI-REACH	--	---	--	---	--	---	--	---	---	---
TRUCK, TELEPHONE MAINTENANCE	31	4,998	15	2,448	15	2,448	15	2,448	-2,550	---
TRUCK, TANK, 1200 GAL	73	2,678	56	2,040	56	2,040	56	2,040	-638	---
TRUCK, TANK, FUEL, M-49	48	4,135	48	4,135	31	2,644	48	4,135	---	+1,491
TRACTOR, A/C TOW, MB-4	118	3,196	118	3,196	118	3,196	118	3,196	---	---
TRACTOR, TOW, FLIGHTLINE	50	800	50	800	50	800	50	800	---	---
TRACTOR, DOZER	82	5,523	82	5,523	82	5,523	82	5,523	---	---
TRUCK, DEMINERAL WATER, 2600 GAL	--	---	--	---	--	---	--	---	---	---

MISSILE MAINT UNIT....................................	4	2,450	--	---	--	---	--	---	-2,450	---
SEMI TRAILER COMPRESSED GAS...........................	--	---	--	---	--	---	--	---	---	---
MOBILE ARM RECON VEHICLE..............................	45	21,970	--	5,000	--	---	--	---	-21,970	---
ITEMS LESS THAN $2,000,000............................	--	18,275	--	18,275	--	18,275	--	18,275	---	---
FIRE FIGHTING EQUIPMENT										
TRUCK CRASH P-15......................................	--	---	--	---	--	---	--	---	---	---
TRUCK WATER P-18......................................	57	6,335	57	6,335	57	6,335	57	6,335	---	---
TRUCK,PUMPER, P-8.....................................	--	---	--	---	--	---	--	---	---	---
TRUCK, PUMPER, P-12...................................	--	---	--	---	--	---	--	---	---	---
ITEMS LESS THAN $2,000,000............................	--	3,741	--	3,741	--	3,741	--	3,741	---	---
MATERIALS HANDLING EQUIPMENT										
TRUCK F/L 4000 LB GED/DED 144 INCH....................	186	3,120	186	3,120	186	3,120	186	3,120	---	---
TRUCK, F/L 6000 LB....................................	190	3,505	190	3,505	171	3,156	190	3,505	---	+349
TRUCK, F/L 10,000 LB..................................	89	5,005	89	5,005	89	5,005	89	5,005	---	---
LARGE CAPACITY LOADER.................................	10	4,357	10	4,357	10	4,357	10	4,357	---	---
25K A/C LOADER..	--	---	--	---	--	---	--	---	---	---
CONTAINER, LIFT, TRUCK................................	15	3,570	15	3,570	15	3,570	15	3,570	---	---
ITEMS LESS THAN $2,000,000............................	--	3,812	--	3,812	--	3,812	--	3,812	---	---
BASE MAINTENANCE SUPPORT										
LOADER, SCOOP...	93	4,882	93	4,882	93	4,882	93	4,882	---	---
DISTRIBUTOR, WATER 1500 GALLON........................	35	1,814	35	1,814	35	1,814	35	1,814	---	---
CLEANER, RUNWAY/STREET................................	162	17,626	162	17,626	162	17,626	162	17,626	---	---
GRADER, ROAD, MOTORIZED...............................	--	---	--	---	--	---	--	---	---	---
CRANE, 7-50 TON.......................................	14	796	14	796	14	796	14	796	---	---
EXCAVATOR, DED, PT....................................	--	---	--	---	--	---	--	---	---	---
WATERCRAFT..	--	---	--	---	--	---	--	---	---	---
SPARES AND REPAIR PARTS...............................	--	3,262	--	3,262	--	3,262	--	3,262	---	---
MODIFICATIONS...	--	382	--	382	--	382	--	382	---	---
ITEMS LESS THAN $2,000,000............................	--	8,017	--	8,017	--	8,017	--	8,017	---	---
CAP VEHICLES..	--	---	--	---	--	800	--	---	---	-800

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
GENERAL REDUCTION	--	---	--	---	--	---	--	---	---	---
TOTAL, VEHICULAR EQUIPMENT		273,364		239,074		224,761		234,074	-39,290	+9,313
ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
COMM SECURITY EQUIPMENT(COMSEC)										
SPACE SYSTEMS (COMSEC)	--	9,051	--	9,051	--	9,051	--	9,051	---	---
TEMPEST EQUIPMENT	--	562	--	562	--	562	--	562	---	---
TAC SECURE VOICE	--	10,866	--	10,866	--	10,866	--	10,866	--	---
DCS SECURE VOICE (COMSEC)	--	24,728	--	13,391	--	13,391	--	13,391	-11,337	---
SECURE DATA	--	37,249	--	28,055	--	28,055	--	28,055	-9,194	---
TRI-TAC (COMSEC)	--	14,690	--	14,690	--	14,690	--	14,690	---	---
SPARES AND REPAIR PARTS	--	6,548	--	6,548	--	6,548	--	6,548	---	---
MODIFICATIONS (COMSEC)	--	304	--	304	--	304	--	304	---	---
INTELLIGENCE PROGRAMS										
INTELLIGENCE DATA HANDLING SYS	--	20,934	--	20,934	--	558	--	20,934	---	+20,376
INTELLIGENCE TRAINING EQUIPMENT	--	8,867	--	8,867	--	8,867	--	8,867	---	---
INTELLIGENCE COMM EQUIP	--	17,051	--	42,041	--	5,322	--	42,051	+25,000	+36,729
COBRA JUDY	--	488	--	488	--	---	--	488	---	+488
COBRA SHOE	--	3,151	--	3,151	--	---	--	3,151	---	+3,151
ITEMS LESS THAN $2,000,000	--	7,195	--	7,195	--	7,195	--	7,195	---	---
ELECTRONICS PROGRAMS										
TACAN	--	---	--	---	--	---	--	---	---	---
TRAFFIC CONTROL/LANDING	--	15,444	--	15,444	--	10,599	--	10,599	-4,845	---

TACTICAL AIR CONTROL SYS IMPROVE	--	119,881	--	204,481	--	150,000	--	89,881	-30,000	-60,119
WEATHER OBSERV/FORCAST	--	60,758	--	60,758	--	53,700	--	60,758	---	+7,058
DEFENSE SUPPORT PROGRAM	--	18,418	--	18,418	--	18,418	--	18,418	---	---
OTH-B RADAR	--	121,769	--	121,769	--	121,769	--	121,769	---	---
SAC COMMAND AND CONTROL	--	18,528	--	14,310	--	18,528	--	13,500	-5,028	-5,028
LAUNCH CONTROL CENTER COMMUNICATIONS	--	12,292	--	6,194	--	12,292	--	6,194	-6,098	-6,098
CHEYENNE MOUNTAIN COMPLEX	--	18,198	--	9,698	--	9,698	--	9,698	-8,500	---
PAVE PAWS/SLBM WARNING SYSTEMS	--	1,582	--	1,582	--	1,582	--	1,582	---	---
BMEWS MODERNIZATION	--	1,441	--	1,441	--	1,441	--	1,441	---	---
SPACETRACK	--	914	--	914	--	914	--	914	---	---
NAVSTAR GPS	--	16,559	--	16,559	--	16,559	--	16,559	---	---
USAFE COMMAND/CONTROL SYSTEM	--	1,941	--	1,941	--	1,941	--	1,941	---	---
PACAF COMMAND/CONTROL	--	3,190	--	1,157	--	3,190	--	1,157	-2,033	-2,033
DEFENSE METEOROLOGICAL SAT PROG	--	10,176	--	10,176	--	10,176	--	10,176	---	---
CARIBBEAN BASIN RADAR NETWORK	--	4,722	--	4,722	--	4,722	--	4,722	---	---
MARS/USAF-FAA RADAR UPGRADE	--	26,422	--	26,422	--	26,422	--	1,300	-25,122	-25,122
TAC SIGINT SUPPORT	--	29,783	--	29,783	--	29,783	--	29,783	---	---
AEROSTAT RADARS	--	---	--	---	--	---	--	---	---	---
DIST ERLY WARNING RDR/NORTH WARNING	--	2,812	--	2,812	--	2,812	--	2,812	---	---
TACTICAL GROUND INTERCEPT FACILITY	--	2,274	--	2,274	--	---	--	---	-2,274	---
TR-1 GROUND STATIONS	--	4,954	--	4,954	--	---	--	---	-4,954	---
AIR BASE OPERABILITY	--	5,240	--	2,007	--	2,007	--	2,007	-3,233	---
CMDR'S TACTICAL TERMINALS(CTT)/TEREC	--	3,963	--	3,963	--	3,963	--	3,963	---	---
IMAGERY TRANS	--	---	--	---	--	---	--	---	---	---
NUDET DETECTION SYSTEM (NDS)	--	12,391	--	12,391	--	12,391	--	12,391	---	---
TACTICAL WARNING SYSTEMS SUPPORT	--	4,723	--	4,723	--	4,723	--	4,723	---	---
NORTH ATLANTIC DEFENSE C3	--	32,663	--	32,663	--	---	--	---	-32,663	---
SPECIAL COMM-ELECTRONICS PROJECTS										
AUTOMATIC DATA PROCESSING EQUIP	--	120,380	--	120,380	--	114,480	--	110,000	-10,380	-4,480
WWMCCS/WIS ADPE	--	25,719	--	20,172	--	4,041	--	4,041	-21,678	---
MAC COMMAND AND CONTROL SUPPORT	--	42,444	--	42,444	--	42,444	--	42,444	---	---
GLCM COMMUNICATIONS	--	2,705	--	2,705	--	2,705	--	2,705	---	---
AIR FORCE PHYSICAL SECURITY SYSTEM	--	23,018	--	17,018	--	17,018	--	14,000	-9,018	-3,018
WEAPONS STORAGE/SECURITY	--	25,259	--	25,259	--	---	--	18,400	-6,859	+18,400

AUTHORIZATION CHANGES

The Committee recommends the following reductions in accordance with Senate authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
44 passenger bus	4,320		-4,320
Trucks over 5 tons	11,121	4,424	-6,697
Maintenance truck	3,932	3,267	-665
Telephone truck	4,998	2,448	-2,550
1,200 gallon tank truck	2,678	2,040	-638
Missile maintenance unit	2,450		-2,450
DCS secure COMSEC	24,728	13,391	-11,337
Secure data	37,249	28,055	-9,194
PACAF C^3	3,190	1,157	-2,033
Air base operability	5,240	2,007	-3,233
WWMCCS/WIS	25,719	20,172	-5,547
C^3 countermeasures	4,626	4,312	-314
Satellite control	113,679	108,528	-5,151
SAMTO test ranges	65,048	61,601	-3,447
GWEN	52,226	36,100	-16,126
Tactical ground intercept facilities	2,274		-2,274
TR-1 ground stations	4,954		-4,954
Satellite terminals	19,564	11,021	-8,543
Tactical equipment modifications	32,716	22,120	-10,596
Tactical C-E	55,156	51,687	-3,469
Radio equipment	45,447	44,762	-685
Fiber optics	3,374	2,066	-1,308
Base items less than $2 million	8,431	4,295	-4,136
Productivity enhance	10,661	9,797	-864
Mobility equipment	42,994	41,405	-1,589
Electrical items less than $2 million	16,578	15,348	-1,230
Industrial preparedness	5,107	4,373	-734
Miscellaneous equipment	18,468	6,604	-11,864
Modifications	11,021	7,441	-3,580
Defense dissemination	8,617	6,400	-2,217
Cheyenne Mountain complex	18,198	9,698	-8,500
Bigeye chemical bomb	14,753		-14,753

COMMITTEE RECOMMENDED ADJUSTMENTS

MUNITIONS AND ASSOCIATED EQUIPMENT

30 mm training cartridges.—The Committee recommends a reduction of $12,000,000 in the request of $81,705,000. The Committee action limits production to stated Air Force inventory requirements.

BSU-49 inflatable retarder.—The Committee recommends a reduction of $2,222,000 in the request of $9,322,000. The budget request for this item includes excessive planned lead time, permitting the proposed reduction.

25 pound practice bomb.—The Committee recommends a reduction of $5,500,000 in the request of $16,393,000. The Committee action takes into account excessive planned lead times.

MJU-10B flare.—The Committee recommends a reduction of $7,800,000 in the request of 18,642,000. Delays in production of this item reduced the requirement for additional funds for fiscal year 1988.

CBU-87 combined effects munition.—The Committee recommends a reduction of $10,000,000 in the request of $277,120,000. The allowance sustains the competitive, dual source procurement of this munition. The Committee supports the acquisition strategy and contractural provisions that to date have significantly reduced the cost of this program. The Committee expects that the continuation of these arrangements will realize additional savings in the CBU-87 acquisition.

MXU-4A1A engine starter.—The Committee recommends a reduction of $1,994,000 in the request of $7,694,000. The request proposes a significant increase production not justified by program requirements and absent any savings through increased production.

Mechanical diverters.—The Committees defers the request of $9,807,000 due to delays in the design and testing of this item.

VEHICULAR EQUIPMENT

Mobile armored reconnaissance vehicle.—The Committee defers the request of $21,970,000. The design and integration of this system will not be complete until fiscal year 1989.

ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT

TRACALS.—The Committee recommends a reduction of $4,845,000 in the request of $15,444,000. The allowance defers funding for acquisition of the microwave landing system [MLS]. Source selection for MLS has been delayed by the Federal Aviation Administration.

SAC C^2.—The Committee recommends a reduction of $5,028,000 in the request of $18,528,000. The Committee proposes to defer procurement of low priority video conferencing equipment.

Launch control center communications.—The Committee recommends a reduction of $6,098,000 in the request of $12,292,000. Initial program procurement deferred from fiscal year 1987 to 1988. Allowance supports first year production for system.

MARS/FAA radar.—The Committee recommends a reduction of $25,122,000 in the request of $26,422,000. The Air Force should report to the Committee by February 1, 1988, on the joint acquisition strategy with the FAA for this system, including total program cost, annual funding requirements, and Government termination liability for the planned multiyear procurement.

NATO C^3.—The Committee defers the request of $32,663,000. The requirement for these funds has slipped until fiscal year 1989 due to contracting delays with other program components.

ADP procurement.—The Committee recommends a reduction of $10,380,000 in the request of $120,380,000. The Committee action defers acquisition of lower priority office automation equipment.

WWMCCS/WIS ADPE—The Committee recommends a reduction of $21,678,000 in the request of $25,719,000. This program is discussed in detail in the procurement, Defense Agencies section of this report.

Air Force physical security.—The Committee recommends a reduction of $9,018,000 in the request of $23,018,000. The Committee believes that the Air Force should prioritize base security upgrade programs, and develop a consistent strategy to maintain security at overseas installations.

Range improvements.—The Committee recommends $166,331,000, an increase of $25,000,000 to the request. The sum of $25,000,000 will only be available for the development and procurement of an ACMI range to be located within the Alaska Air Command. The Committee believes that the creation of an additional ACMI range will provide unique training opportunities for the Air Force within the United States. The Committee expects the Air Force to achieve an initial operational capability [IOC] for this facility no later than March 1990. A portion of the $25,000,000 provided may be used to procure aircraft instrumentation subsystem [AIS] pods associated with the ACMI range.

Consolidated space operations center.—The Committee recommends a reduction of $6,124,000 in the request of $8,124,000. The communications upgrade program in the request will not be executed in fiscal year 1988 due to delays in previously funded activities.

Joint tactical communications [TRI-TAC].—The Committee proposes a reduction of $41,966,000 in the request of $176,766,000. The Committee recommendation limits the growth in procurement quantities for communications systems.

Weapons storage security systems.—The Committee recommends a reduction of $6,859,000 in the request of $25,259,000. The funds provided correspond to the specific sites that received Military Construction appropriations for fiscal year 1988. This appropriation may only be used to procure and install storage systems at the locations approved for Military Construction funds. No further procurement of storage systems should proceed until the issue of NATO funding for site construction is resolved.

Tactical air control system improvements.—The Committee recommends a reduction of $30,000,000 in the request of $119,881,000. The allowance provides for continued production of modular control elements at the current low rate production. Testing and full production approval for this system will not be complete until 1989.

Spares.—The Committee proposes a reduction of $59,984,000 in the request of $268,684,000. The Committee action corresponds to program adjustments recommended in the communications and electronics budget activity.

OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

Chemical and biological defense.—The Committee recommends a reduction of $10,000,000 in the request of $115,444,000. The Committee action defers the new start transportable collective protection system and limits growth in production for the survivable collective protection system.

Medical and dental equipment.—The Committee recommends a reduction of $9,980,000 in the request of $110,980,000. The Committee proposal takes into account available prior-year appropriations that have not been obligated.

Classified programs.—The Committee recommends a reduction of $206,400,000 in the request of $4,684,471,000. This action is detailed in the classified annex to this report.

RESTORED HOUSE ADJUSTMENTS

The Committee does not recommend accepting the following House adjustments:

[In thousands of dollars]

	Budget request	House recommendation	Committee recommendation
Flare, IR	1,962		1,962
FMU-139	39,967	28,967	39,967
Sedan	3,355	3,073	3,355
Truck, stake	10,361	8,521	10,361
Truck, cargo 3/4 ton	7,544	3,230	7,544
Truck, cargo 1/2 ton	4,265	3,120	4,265
Truck, cargo 2-1/2 ton	17,651	15,083	17,651
Truck, fuel M-49	4,135	2,644	4,135
6,000-pound forklift	3,505	3,156	3,505
Intelligence data handling system	20,934	558	20,934
Cobra Judy	488		488
Cobra Shoe	3,151		3,151
Weather observation	60,758	53,700	60,758
CMD center processing	1,095	1,007	1,095
Scientific/technical intelligence	7,693		7,693
AF Technical Application Center	15,667		15,667

PROCUREMENT, DEFENSE AGENCIES

1987 appropriation	$1,498,256,000
1988 budget estimate	1,292,391,000
House allowance	1,195,833,000
Committee recommendation	1,194,034,000

The Committee recommends an appropriation of $1,194,034,000, a reduction of $98,357,000 to the budget estimate and $1,799,000 less than the House allowance.

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Investigative Service, the Defense Mapping Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The fiscal year 1986 program includes procurement of automatic data processing equipment, mechanical materials handling systems, general and special-purpose vehicular equipment, communications equipment, and mapping, charting, and geodetic equipment.

COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendation in comparison to the House-reported allowance.

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
RANGE IMPROVEMENTS	--	141,331	--	151,331	--	151,331	--	166,331	+25,000	+15,000
RADAR BOMB SCORER	--	---	--	---	--	---	--	---	---	---
C3 COUNTERMEASURES	--	4,626	--	4,312	--	4,312	--	4,312	-314	---
JOINT SURVEILLANCE SYSTEM	--	4,045	--	4,045	--	4,045	--	4,045	---	---
SPACE SHUTTLE	--	163	--	163	--	163	--	163	---	---
BASE LEVEL DATA AUTO PROGRAM	--	29,709	--	29,709	--	29,709	--	29,709	---	---
SATELLITE CONTROL FACILITY	--	113,679	--	108,528	--	103,376	--	108,528	-5,151	+5,152
CONSTANT WATCH	--	17,105	--	17,105	--	17,105	--	17,105	---	---
CONSOLIDATED SPACE OPS CENTER	--	8,124	--	8,124	--	8,124	--	2,000	-6,124	-6,124
CMD CENTER PROCESSING/DISPLAY SYS	--	1,095	--	1,095	--	1,007	--	1,095	---	+88
HAMMER ACE	--	720	--	720	--	720	--	720	---	---
SAMTO TEST RANGES I&M	--	65,048	--	61,601	--	61,601	--	61,601	-3,447	---
EMP HARDENING	--	---	--	---	--	---	--	---	---	---
AIR FORCE COMMUNICATIONS										
PROGRAM 698AJ	--	1,714	--	1,714	--	1,714	--	1,714	---	---
INFORMATION TRANSMISSION SYSTEMS	--	11,854	--	11,854	--	11,854	--	11,854	---	---
TELEPHONE EXCHANGE	--	30,987	--	30,987	--	30,987	--	30,987	---	---
JOINT TACTICAL COMM PROGRAM	--	176,766	--	176,766	--	166,000	--	134,800	-41,966	-31,200
USREDCOM	--	4,453	--	4,453	--	4,453	--	4,453	---	---
USCENTCOM	--	22,733	--	22,733	--	22,733	--	22,733	---	---
AUTOMATED TELECOMMUNICATIONS PRG	--	12,693	--	12,693	--	12,693	--	12,693	---	---
SATELLITE TERMINALS	--	19,564	--	11,021	--	11,021	--	11,021	-8,543	---
DCA PROGRAMS										
WIDEBAND SYSTEMS UPGRADE	--	41,844	--	41,844	--	41,844	--	41,844	---	---
MINIMUM ESSENTIAL EMER COMM NET	--	52,226	--	36,100	--	---	--	36,100	-16,126	+36,100
DCS SECURE VOICE EQUIPMENT	--	4,630	--	4,630	--	4,630	--	4,630	---	---

ORGANIZATION AND BASE										
TACTICAL C-E EQUIPMENT................................	--	55,156	--	51,687	--	51,687	--	51,687	-3,469	---
PRODUCTIVITY INV TELECOM..............................	--	---	--	---	--	---	--	---	---	---
RADIO EQUIPMENT.......................................	--	45,447	--	44,762	--	44,762	--	44,762	-685	---
PRODUCTIVITY ENH TELECOMM.............................	--	---	--	---	--	---	--	---	---	---
FIBER OPTICS..	--	3,374	--	2,066	--	2,066	--	2,066	-1,308	---
TV EQUIPMENT (AFRTV)..................................	--	4,486	--	4,486	--	4,486	--	4,486	---	---
CCTV/AUDIOVISUAL EQUIPMENT............................	--	4,180	--	4,180	--	4,180	--	4,180	---	---
E + I REQUIREMENTS....................................	--	1,242	--	1,242	--	1,242	--	1,242	---	---
SPARES AND REPAIR PARTS...............................	--	268,684	--	268,684	--	268,684	--	208,700	-59,984	-59,984
ITEMS LESS THAN $2,000,000............................	--	8,905	--	8,905	--	8,905	--	8,905	---	---
MODIFICATIONS										
COMM-ELECTRONICS CLASS IV.............................	--	27,865	--	27,865	--	27,865	--	27,865	---	---
TACTICAL EQUIPMENT....................................	--	32,716	--	22,120	--	22,120	--	22,120	-10,596	---
ANTIJAM VOICE...	--	7,019	--	7,019	--	7,019	--	7,019	---	---
CAP COMMO/ELECT.......................................	--	---	--	---	--	500	--	---	---	-500
TOTAL, ELECTRONICS AND TELECOMMUNICATIONS EQUIP.....		2,176,430		2,190,221		1,936,665		1,875,501	-300,929	-61,164
OTHER BASE MAINTENANCE AND SUPPORT EQUIP										
TEST EQUIPMENT										
BASE/ALC CALIBRATION PACKAGE..........................	--	55,032	--	55,032	--	55,032	--	55,032	---	---
NEWARK AFS CALIBRATION PACKAGE........................	--	2,927	--	2,927	--	2,927	--	2,927	---	---
TEST EQUIPMENT-GEN PURP...............................	--	4,560	--	4,560	--	4,560	--	4,560	---	---
ITEMS LESS THAN $2,000,000............................	--	36,411	--	36,411	--	36,411	--	36,411	---	---
PERSONAL SAFETY AND RESCUE EQUIP										
AUTOMATIC LIFE PERSERVER..............................	3,373	3,953	3,373	3,953	3,373	3,953	3,373	3,953	---	---
NIGHT VISION GOGGLES..................................	1,634	15,622	1,634	15,622	1,634	15,622	1,634	15,622	---	---
BREATHING APPARATUS TWO HOUR..........................	1,530	2,391	1,530	2,391	1,530	2,391	1,530	2,391	---	---
CHEMICAL/BIOLOGICAL DEF PROG..........................	--	115,444	--	115,444	--	115,444	--	105,444	-10,000	-10,000
ITEMS LESS THAN $2,000,000............................	--	3,807	--	3,807	--	3,807	--	3,807	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount	Budget amount	House amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPOT PLANT + MATERIALS HANDLING EQ										
BASE MECHANIZATION EQUIPMENT..........................	--	30,860	--	30,860	--	30,860	--	30,860	---	---
AIR TERMINAL MECHANIZATION EQUIP......................	--	7,198	--	7,198	--	7,198	--	7,198	---	---
ITEMS LESS THAN $2,000,000............................	--	10,083	--	10,083	--	10,083	--	10,083	---	---
ELECTRICAL EQUIPMENT										
GENERATORS-MOBILE ELECTRIC............................	--	12,776	--	12,776	--	12,776	--	12,776	---	---
FLOOD LIGHTS..	950	11,559	950	11,559	950	11,559	950	11,559	---	---
ITEMS LESS THAN $2,000,000............................	--	8,431	--	4,295	--	4,295	--	4,295	-4,136	---
BASE SUPPORT EQUIPMENT										
BASE PROCURED EQUIPMENT...............................	--	21,510	--	21,510	--	21,510	--	21,510	---	---
MEDICAL/DENTAL EQUIPMENT..............................	--	110,980	--	110,980	--	110,980	--	101,000	-9,980	-9,980
AIR BASE OPERABILITY..................................	--	6,185	--	6,185	--	6,185	--	6,185	---	---
PALLET, AIR CARGO, 108"X88"...........................	2,000	2,059	2,000	2,059	2,000	2,059	2,000	2,059	---	---
NET ASSEMBLY, 108"X88"................................	--	---	--	---	--	---	--	---	---	---
BLADDERS FUEL...	200	2,555	200	2,555	200	2,555	200	2,555	---	---
TACTICAL SHELTER......................................	--	---	--	---	--	---	--	---	---	---
PHOTOGRAPHIC EQUIPMENT................................	--	5,284	--	5,284	--	5,284	--	5,284	---	---
PRODUCTIVITY ENHANCEMENT..............................	--	10,661	--	9,797	--	9,797	--	9,797	-864	---
PRODUCTIVITY INVESTMENTS..............................	--	1,911	--	1,911	--	1,911	--	1,911	---	---
MOBILITY EQUIPMENT....................................	--	42,994	--	41,405	--	41,405	--	41,405	-1,589	---
WARTIME HOST NATION SUPPORT...........................	--	7,950	--	7,950	--	7,950	--	7,950	---	---
SPARES AND REPAIR PARTS...............................	--	9,901	--	9,901	--	9,901	--	9,901	---	---
ITEMS LESS THAN $2,000,000............................	--	16,578	--	15,348	--	15,348	--	15,348	-1,230	---
SPECIAL SUPPORT PROJECTS										
INTELLIGENCE PRODUCTION ACTIVITY......................	--	24,532	--	24,532	--	143,526	--	24,532	---	-118,994

SCIENTIFIC/TECHNICAL INTELLIGENCE	--	7,693	--	7,693	--	---	--	7,693	---	+7,693
TECH SURV COUNTERMEASURES EQ	--	2,068	--	2,068	--	2,068	--	2,068	---	---
DEFENSE DISSEMINATION SYSTEM	--	8,617	--	6,401	--	---	--	6,400	-2,217	+6,400
AF TECHNICAL APPLICATION CENTER	--	15,667	--	15,667	--	---	--	15,667	---	+15,667
PHOTO PROC/INTERPRET SYS	--	898	--	898	--	898	--	898	---	---
SELECTED ACTIVITIES	--	4,675,854	--	4,568,572	--	4,432,294	--	4,469,454	-206,400	+37,160
SPECIAL UPDATE PROGRAM	--	142,033	--	120,633	--	142,033	--	142,033	---	---
SPECIAL APPLICATION PROGRAM	--	239	--	239	--	239	--	239	---	---
INDUSTRIAL PREPAREDNESS	--	5,107	--	4,373	--	4,373	--	4,373	-734	---
MISC EQUIPMENT	--	18,168	--	6,604	--	12,104	--	6,604	-11,864	-5,500
MODIFICATIONS	--	11,021	--	7,441	--	11,021	--	7,441	-3,580	-3,580
TOTAL, OTHER BASE MAINTENANCE AND SUPPORT EQUIP		5,471,819		5,316,924		5,300,359		5,219,225	-252,594	-81,134
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
GENERAL REDUCTION, PRIOR YEAR SAVINGS	--	---	--	-11,000	--	---	--	---	---	---
(BY TRANSFER)	--	---	--	(11,000)	--	---	--	---	---	---
TOTAL, OTHER PROCUREMENT, AIR FORCE		8,570,482		8,422,866		8,082,632		7,913,593	-656,889	-169,039
TRANSFER FROM OTHER ACCOUNTS		---		(11,000)		---		---	---	---
TOTAL FUNDING AVAILABLE		8,570,482		8,433,866		8,082,632		7,913,593	-656,889	-169,039

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
PROCUREMENT, DEFENSE AGENCIES										
MAJOR EQUIPMENT, OSD										
MOTOR VEHICLES	--	320	--	320	--	320	--	320	---	---
REMOTELY PILOTED VEHICLES (RPVS)	--	---	--	45,400	--	45,400	--	---	---	-45,400
MAJOR EQUIPMENT, OSD/WHS	--	138,124	--	138,124	--	138,124	--	106,600	-31,524	-31,524
MAJOR EQUIPMENT, DMA										
VEHICLES	--	249	--	249	--	249	--	249	---	---
OTHER CAPITAL EQUIPMENT	--	4,088	--	4,088	--	4,088	--	4,088	---	---
MAJOR EQUIPMENT, DCA										
WWMCCS ADP SYSTEMS	--	22,151	--	14,194	--	7,981	--	7,981	-14,170	---
ITEMS LESS THAN $2 MILLION	--	25,463	--	25,463	--	25,463	--	25,463	---	---
MAJOR EQUIPMENT, DLA										
MATERIALS HANDLING EQUIPMENT	--	8,587	--	8,587	--	8,587	--	8,587	---	---
VEHICLES	--	1,060	--	1,060	--	1,060	--	1,060	---	---
MECHANIZED MATERIALS HANDLING SYS	--	14,351	--	14,351	--	14,351	--	14,351	---	---
ADP EQUIPMENT	--	45,032	--	34,791	--	---	--	34,791	-10,241	+34,791
TELECOMMUNICATIONS EQUIPMENT	--	20,213	--	12,182	--	12,182	--	12,182	-8,031	---
OTHER MAJOR EQUIPMENT	--	5,514	--	5,514	--	5,514	--	5,514	---	---
ITEMS LESS THAN $2 MILLION	--	2,399	--	2,399	--	2,399	--	2,399	---	---
AUTOMATED MARKING/READING SYSTEM(LOGMARS)	--	---	--	---	--	---	--	---	---	---
MAJOR EQUIPMENT, DNA										
VEHICLES	--	368	--	368	--	368	--	368	---	---
OTHER CAPITAL EQUIPMENT	--	15,310	--	15,310	--	15,310	--	15,310	---	---

AUTHORIZATION CHANGES

The Committee recommends the following reductions in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
DLA ADP acquisition	45,032	34,791	-10,241
DLA telecommunications	20,213	12,182	-8,031

COMMITTEE RECOMMENDED ADJUSTMENTS

Office of the Secretary of Defense.—The Committee recommends a reduction of $31,524,000 in the request of $138,124,000. The Committee allowance limits funding for Washington Headquarters Services at the fiscal year 1987 appropriated level.

The Committee does not expect any reduction to be made to the Composite Health Care System [CHCS]. The acquisition strategy proposed by the Defense Medical Support Program will reduce the number of potential vendors for CHCS in March 1988. The Committee urges the Department of Defense to limit to the greatest extent possible further expenditures on the test and development phase of this program. The need for effective automation of medical systems and information records is well documented, and the Committee expects the Department of Defense to execute this program expeditiously so as to provide the highest possible quality of care to military personnel and their dependents.

The Committee will not consider any reprogramming or transfer of funds to increase expenditures or extend the proposed test program beyond the levels requested for fiscal year 1988.

DCA WWMCCS/WIS.—The Committee recommends a reduction of $14,170,000 in the request of $22,151,000. This reduction is consistent with decreases proposed in the Army and Air Force requests for WWMCCS/WIS, and incorporated into the proposed reduction in Navy computer acquisition. The General Accounting Office has reported significant problems in the development and deployment of WWMCCS/WIS throughout the Department of Defense. The Committee agrees with the conclusions presented by GAO.

The Committee has not recommended a substantial decrease in research and development funding for WWMCCS/WIS. The objectives of this program to provide an integrated communications network for the JCS and National Command Authority remain a high priority. The current management of this effort has not produced the system proposed to and funded by Congress. The Committee expects that development of WWMCCS/WIS should fully meet all requirements as established by the JCS. The Secretary of Defense should consider transfer of WWMCCS/WIS program management from the Air Force to the Office of the Assistant Secretary of Defense for C^3I, as a means of insuring joint operability and compliance with JCS and NCA requirements.

DRSP items less than $2,000,000.—The Committee recommends a reduction of $34,391,000 in the request of $352,481,000 for classified programs.

NATIONAL GUARD AND RESERVE EQUIPMENT

1987 appropriation	$557,000,000
1988 budget estimate	
House allowance	912,000,000
Committee recommendation	916,000,000

The Committee recommends an appropriation of $916,000,000 to provide military equipment to the National Guard and Reserve components of the services. This is $4,000,000 more than provided by the House.

Of the total amount provided, the Committee recommends $350,000,000 for miscellaneous equipment to provide help to alleviate the shortages of day-to-day unit equipment. This is $212,900,000 more than the House allowance for the miscellaneous equipment category.

Further, of the total amount provided, the Committee recommends $581,000,000 for specific equipment purchases by the National Guard and Reserve components. This is $208,900,000 less than the House allowance for this category of equipment.

COMMITTEE RECOMMENDED PROGRAM

The Committee requests that the Chief of each Guard and Reserve component receiving such funds for unit equipment shall allocate them to provide units with the most military capability for the money and provide a detailed report to the Senate and House Committees on Appropriations and Armed Services on the items of equipment to be procured with such funds within 120 days after the date of enactment of this act.

Within the amount appropriated for miscellaneous equipment. the selection of items to be procured with these funds is left to the discretion of the Chief of each of the Reserve components based upon the readiness requirements of their respective units. Further, the $15,000,000 recommended for Reserve Seabee Unit equipment outfitting will be managed and configured by unit sets to facilitate rapid deployment.

Within funds appropriated for specific equipment, the Committee agrees with the House allowances for 300 M–113 armored personnel carriers for the Army National Guard, 8 C–130H aircraft for the Air Force Reserve, and 8 C–130H aircraft for the Air National Guard. The Committee does not agree with the House addition's for the Cannon Replacement Program and C–23 aircraft for the Army National Guard, and P–3C aircraft for the Navy Reserve. Further, the Committee recommends $44,000,000 for 2 HC–130 aircraft and $117,000,000 for 16 MH–60G helicopters and support equipment for the Air National Guard, and $40,000,000 for 2 KC–130T aircraft for the Marine Corps

Reserve, as opposed to $88,000,000 for 12 MH-60G helicopters, and no appropriations for HC-130 or KC-130T aircraft recommended by the House.

The following table details the Committee recommendations in comparison to the House-reported allowances:

ITEMS OF SPECIAL INTEREST

5-ton trucks.—The National Guard bureau has been trying for almost 3 years to purchase 5-ton trucks to fill critical shortages within USARNG units. In fiscal year 1986, the Guard designated $14,000,000, of funds authorized and appropriated by Congress for Guard and Reserve equipment, to purchase 5-ton trucks. Further, Congress appropriated $20,000,000 in fiscal year 1987 specifically for the purchase of 5-ton trucks for USARNG units.

To this date, current law and the Army leadership have prevented the Guard bureau from contracting for M-939A1 5-ton trucks, directing them to wait for deliveries within the new M-939A2 5-ton truck contract. However, this new truck delivery schedule continues to slip and the National Guard continues to wait.

The Committee has included a general provision within the bill which gives the Chief, National Guard bureau the flexibility to purchase M-939A1 5-ton trucks on a one-time basis. The Committee would like to emphasize that this provision does not direct the purchase of the M-939A1 by the National Guard, however, does permit the National Guard the flexibility to acquire M-939A1 trucks if they certify to Congress that deliveries of the M-939A2 have slipped beyond a reasonable date and the cost to the Government for the M-939A1 trucks is no more than the cost of a similar buy of M-939A2's.

Air Force search and rescue mission.—As a result of the highlighted emphasis on special operations forces, the Air Force has been forced to divert assets from search, rescue, and recovery units. As such, the Air Force has incrementally increased its reliance on Guard and Reserve Forces in this area. Recognizing this trend, the Committee believes the Air Force should develop a plan to transition to search, rescue, and recovery mission to the Guard and Reserve Forces to assure continued performance of this critical mission.

As a first step in this direction, the Committee recommends funds for the procurement of two HC-130 refueling tanker aircraft and four MH-60 search and recovery helicopters for the Alaska National Guard. This assures smooth transition of this function from the Alaskan Air Command to the National Guard. The Committee's recommendation will retain search and rescue capability in the Pacific Rim theater, but relieves the Active Forces of this responsibility.

Plans to proceed with Guard and Reserve Force transition for this important mission should recognize the importance to utilize both Air and Army Reserve component experience as a means to minimize costs and promote efficiencies.

Navy Reserve minesweeping—The Committee expects that $1,000,000 of the funds provided for miscellaneous equipment, Navy Reserve will be available only for the procurement of equipment for new Navy Reserve units with designated port minesweeping missions.

Air Force Reserve weather observation.—From within the funds provided for miscellaneous equipment, Air Force Reserve, $4,800,000 will be available only to procure improved weather reconnaissance systems to support Air Force Reserve WC-130 activities. This mission is discussed in detail in the operation and maintenance, Air Force Reserve section of this report.

Defense Production Act Purchases

1987 appropriation	$13,000,000
1988 budget estimate	30,800,000
House allowance	13,000,000
Committee recommendation	13,000,000

The Committee recommends an appropriation of $13,000,000, a decrease of $17,800,000 below the budget request, and the same as the House allowance.

The Committee expressed strong dissatisfaction with the management and execution of the Defense Production Act Purchases Program in the fiscal year 1987 Appropriations Conference Report, and requested the General Accounting Office to study this activity.

The Committee has reviewed the GAO report and believes that there has been progress in addressing the issue of the availability of funds. The Committee is discouraged by the failure of the Air Force to fully support this program with sufficient personnel to administer the funds provided in fiscal years 1985 to 1987. None of the appropriations provided in 1986 and 1987 have been obligated to date and current projections indicate that some projects will not commence until September 1988.

The Air Force should provide, on a temporary basis, additional personnel and support resources to initiate funded projects in a timely manner. The Congress identifies this effort to create a domestic production base for these critical materials as a program of special interest and will closely monitor the effort by the Air Force to fully support the administrative needs of this program.

The Committee recommends a reduction of $17,800,000 in the request of $30,800,000. The allowance provides $5,000,000 to continue the discontinuous reinforced aluminum and $8,000,000 for the superchromium alloy recovery projects previously initiated.

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The fiscal year 1988 Department of Defense budget for research, development, test, and evaluation totaled $43,676,637,000. The accompanying Senate bill contains $36,704,513,000, a reduction of $6,972,124,000 from the budget estimate. The recommended allowance is $3,806,712,000 below the Senate authorization, $1,057,139,000 above the House allowance, and $782,303,000 above the fiscal year 1987 appropriation for RDT&E. The following table summarizes the budget estimates and Committee recommendations:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Research, development, test, and evaluation:				
Army	5,511,172	4,445,362	4,937,166	-574,006
Navy	10,448,112	8,634,560	9,535,619	-912,493
Air Force	18,623,383	16,119,705	14,322,604	-4,300,779
Defense Agencies	8,811,532	6,198,116	7,656,566	-1,154,966
Director, test and evaluation, Defense	178,217	192,410	169,337	-8,880
Operational test and evaluation	104,221	57,221	83,221	-21,000
Total, RDT&E	43,676,637	35,647,374	36,704,513	-6,972,124

COMMITTEE OVERVIEW

Recognizing the magnitude of the reductions proposed for the Defense Department's RDT&E budget request, the Committee arrived at these recommendations with great reluctance. However, the requirement to constrain severely total Government spending to help reduce the Federal deficit—and the necessity to protect the daily operational combat readiness and military personnel accounts—afforded no other alternative.

The Committee was forced to recommend major reductions in the programs of all four military services, and in almost every mission area. Nevertheless, the Committee concentrated its reductions on those programs which (*a*) are experiencing technological, cost, or management problems; (*b*) duplicate other efforts; (*c*) are less likely to yield sufficient, demonstrable military payoffs in the near term to justify the substantial taxpayer investments requested; or (*d*) are seeking inordinately

RASTER SCAN EDIT STATION	--	---	--	---	--	---	--	---	---	---
MAJOR EQUIPMENT, DIS										
VEHICLES	--	3,119	--	3,119	--	3,119	--	3,119	---	---
OTHER CAPITAL EQUIPMENT	--	---	--	---	--	---	--	---	---	---
MAJOR EQUIPMENT, USUHS										
ITEMS LESS THAN $2 MILLION	--	834	--	834	--	834	--	834	---	---
MAJOR EQUIPMENT, DCAA										
ITEMS LESS THAN $2 MILLION	--	8,072	--	8,072	--	8,072	--	8,072	---	---
MAJOR EQUIPMENT, DRSP										
ITEMS LESS THAN $2 MILLION	--	352,481	--	317,881	--	292,881	--	318,090	-34,391	+25,209
MAJOR EQUIPMENT, DIG										
ITEMS LESS THAN $2 MILLION	--	7,263	--	7,263	--	7,263	--	7,263	---	---
CLASSIFIED PROGRAMS	--	617,393	--	633,743	--	602,268	--	617,393	---	+15,125
INFLATION SAVINGS, FY87	--	---	--	---	--	---	--	---	---	---
PROFIT POLICY CHANGE	--	---	--	---	--	---	--	---	---	---
TOTAL, PROCUREMENT, DEFENSE AGENCIES		1,292,391		1,293,312		1,195,833		1,194,034	-98,357	-1,799
TRANSFER FROM OTHER ACCOUNTS		---		---		---		---	---	---
TOTAL FUNDING AVAILABLE		1,292,391		1,293,312		1,195,833		1,194,034	-98,357	-1,799

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE										
RESERVE, ARMY										
MISCELLANEOUS EQUIPMENT	--	---	--	90,000	--	90,000	--	80,000	+80,000	-10,000
RESERVE, NAVY										
MISCELLANEOUS EQUIPMENT	--	---	--	25,000	--	10,000	--	40,000	+40,000	+30,000
CSAR HELICOPTERS	--	---	--	---	--	---	--	---	---	---
AIRBORNE MINE COUNTERMEASURES	--	---	--	---	--	---	--	---	---	---
SEABEES	--	---	--	---	--	---	--	15,000	+15,000	+15,000
P-3C AIRCRAFT	--	---	--	---	6	193,800	--	---	---	-193,800
RESERVE, MARINE CORPS										
MISCELLANEOUS EQUIPMENT	--	---	--	---	--	---	--	---	---	---
KC-130 T AIRCRAFT	--	---	2	40,000	--	---	2	40,000	+40,000	+40,000
RESERVE, AIR FORCE										
MISCELLANEOUS EQUIPMENT	--	---	--	15,000	--	17,100	--	35,000	+35,000	+17,900
C-130H AIRCRAFT	--	---	8	150,000	8	150,000	8	150,000	+150,000	---
NATIONAL GUARD EQUIPMENT										
GUARD, ARMY:										
MISCELLANEOUS EQUIPMENT	--	---	--	60,000	--	20,000	--	150,000	+150,000	+130,000
NON-SYSTEM TRAINING DEVICES	--	---	--	---	--	---	--	---	---	---
5-TON TRUCKS	--	---	--	---	--	---	--	---	---	---
C-23 AIRCRAFT	--	---	--	---	15	100,000	--	---	---	-100,000
UH-60 BLACKHAWK	--	---	--	---	--	---	--	---	---	---

[In thousands of dollars]

	1988 budget		1988 authorization		1988 House		Committee recommendation		Senate compared to—	
	Qty. (1)	Amount (2)	Qty. (3)	Amount (4)	Qty. (5)	Amount (6)	Qty. (7)	Amount (8)	Budget amount (9)	House amount (10)
AN/PRC - 104A	--	---	--	---	--	---	--	---	---	---
AN/GRC - 193A	--	---	--	---	--	---	--	---	---	---
AN/CRC - 213	--	---	--	---	--	---	--	---	---	---
M113 APC	--	---	300	65,000	300	65,000	300	65,000	+65,000	---
CANNON REPLACEMENT PROGRAM	--	---	--	---	--	28,100	--	---	---	-28,100
GUARD, AIR FORCE										
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	---	--	30,000	+30,000	+30,000
C-130H AIRCRAFT	--	---	8	150,000	8	150,000	8	150,000	+150,000	---
MH-60G HELICOPTERS AND SUPPORT EQUIPMENT	--	---	12	88,000	12	88,000	16	117,000	+117,000	+29,000
HC-130 AIRCRAFT	--	---	--	---	--	---	2	44,000	+44,000	+44,000
TOTAL, NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE		---		703,000		912,000		916,000	+916,000	+4,000
DEFENSE PRODUCTION ACT PURCHASES, DEFENSE										
DEFENSE PRODUCTION ACT PURCHASES	--	30,800	--	---	--	13,000	--	13,000	-17,800	---
TOTAL, DEFENSE PRODUCTION ACT PURCHASES		30,800		---		13,000		13,000	-17,800	---

large budget increases without adequate programmatic or military justification.

Even with these reductions, the Committee's total recommendation for the Defense RDT&E budget represents the second highest level of spending in this category in the past 43 years, a period which includes both the Korean conflict and Vietnam war, and the large buildup of United States strategic nuclear forces during the early 1960's.

Wherever possible, the Committee protected—and in a few cases, even accelerated—research (and procurement) programs representing more proven alternatives to the more technologically risky, far-term efforts recommended for significant reductions. To preserve the technological and scientific foundation of our future defense posture, the Committee attempted to minimize reductions in the technology base and advanced technology components of the research budget.

MAJOR COMMITTEE RECOMMENDATIONS

Reflecting this approach, the Committee's major recommendations, by service, are:

Army.—(1) full funding of $36,066,000 for the advanced antiarmor weapons systems-medium [AAWS–M] but deferral of most ($23,080,-000) of the $28,580,000 requested for the AAWS-heavy, in favor of increased procurement of the present TOW–II heavy antitank weapon; (2) funding $150,000,000 (a reduction of $252,285,000) of the combined budget request of $402,285,000 for the light helicopter experimental [LHX] and its T–800 engine, in favor of adding $40,000,000 to develop improvements to the present attack/utility helicopter fleet of Apache AH–64's and Blackhawk UH–60's, $82,291,000 for procuring an additional 10 Apache and 27 Blackhawk-type helicopters, and $36,000,000 in advance procurement to continue Apache production in fiscal 1989; (3) funding only $1,000,000 of the $9,814,000 sought for the future armored family of vehicles, while adding $23,800,000 to accelerate survivability and combat effectiveness enhancements to the M–1A1 main battle tank and to develop improved chemical-biological-nuclear warfare protection systems for combat vehicles, and adding $85,000,000 to accelerate survivability modifications to the M–60A3 tank fleet.

Navy/Marine Corps.—(1) denial of the entire $124,023,000 request to develop an A–6F version of the A–6E medium attack aircraft, in favor of full funding of the advanced tactical aircraft; (2) addition of $97,101,000 to develop enhancements for future nuclear attack submarines and to improve the present SSN–688 nuclear attack submarines; and (3) denial of $26,804,000 and termination of the Marine Corps' programs to develop a Dragon III medium antitank weapon and an improved warhead for the shoulder-fired multipurpose assault weapon [SMAW], in favor of Marine Corps participation in the Army's AAWS–M program, acceleration of the multipurpose individual munition [MIPM] development program for both services, approval of the Dragon II warhead improvement program, and procurement of additional SMAW standard rounds, and AT–4 and TOW–II antiarmor weapons for the Marines.

Air Force.—(1) denial of $2,233,181,000 to terminate the Small Intercontinental Ballistic Missile [SICBM] Program, in favor of approval of $400,000,000 to achieve the earliest feasible initial operational capability [IOC] for the Peacekeeper rail garrison ICBM; (2) approval of $508,000,000 of the $536,000,000 requested for the advanced tactical fighter; approval of $160,000,000 of the $220,386,000 sought for the short range attack missile II [SRAM II]; approval of $879,904,000 of the $1,219,904,000 sought for the C–17 advanced transport; and approval of $162,400,000 of the $402,358,000 requested for the space defense system antisatellite [ASAT] program; (3) approval of $113,850,000 of the $236,039,000 request for the national aerospace plane [NASP], in favor of adding $316,000,000 for research, development, and procurement of new, larger, more-capable expendable rocket boosters as part of the Nation's newly expanded Space Recovery Program.

Defense Agencies.—(1) provision of $3,604,000,000 of the $5,198,793,000 requested for the strategic defense initiative [SDI], and ensuring allocation within SDI of not less than $210,000,000 for the boost surveillance and tracking system satellite, $150,000,000 for the advanced launch system [ALS] heavy lift rocket (including $70,000,000 transferred to the National Aeronautics and Space Administration for ALS propulsion activities), $75,000,000 for antitactical ballistic missile research, and $31,600,000 for the Eximer mid-range laser device [EMRLD] and related technologies; and (2) addition of $59,050,000 to the $233,950,000 request for strategic technology research by the Defense Advanced Research Projects Agency [DARPA] to accelerate innovative manufacturing and advanced information processing technologies, and to develop smaller, lighter, less-costly satellites and booster rockets for use by operational field commanders.

PERSPECTIVE

To place the severity of its recommendations into a balanced perspective, the Committee believes it is useful to review the fiscal and programmatic trends in the defense RDT&E budget in the past several years.

The fiscal 1988 defense RDT&E budget request, which sought an approximate 22-percent increase compared to fiscal 1987 appropriations, came after the longest consecutive period of annual real growth in defense RDT&E spending since the end of World War II.

Between fiscal 1981–87, cumulative real growth in RDT&E totaled 74.2 percent, and average annual real growth in this component of the defense budget was more than 10 percent. Within these budgets during the same period, RDT&E for the Army experienced cumulative real growth of 21.3 percent; the Navy, 49.2 percent; the Air Force, 70.3 percent; and the Defense Agencies, 311.9 percent.

Aggregated by major force programs, RDT&E spending grew by the following cumulative real growth rates during the same period: strategic forces, 34.6 percent; general purpose (conventional) forces, 143 percent; intelligence and communications, 203 percent; airlift and sealift, 208 percent; and general research and development (including additional strategic and conventional programs), 57 percent.

The Committee's budget review determined that the Defense Department's RDT&E program suffers from excessive redundancy and duplication, from a lack of coordination within and among the Armed Services, and from an absence of difficult choices made as to funding priorities. Accordingly, many of the Committee's recommendations regarding the fiscal 1988 RDT&E request are directed toward encouraging both the executive branch and the Congress to begin taking the necessary steps to address, and resolve, these serious problems.

JOINT AND MULTISERVICE PROGRAMS

The Committee determined that at least four RDT&E areas exemplify the problems of excessive redundancy, and lack of priority-setting, among defense research programs: (*a*) remotely piloted vehicles and their sensors; (*b*) standoff range air-to-surface weapons; (*c*) electronic warfare components and equipment; and (*d*) ground combat antiarmor weapons.

To address this situation, the Committee has taken the following actions:

(a) *Remotely piloted vehicles [RPV's] and sensors.*—Separate program elements for these efforts within each military service have been eliminated, and the funds have been transferred to the Office of the Secretary of Defense [OSD], which should establish funding and program priorities, mandate requirements for single programs to meet the needs of more than one service, and eliminate duplicative programs. To encourage the elimination of such duplication, the Committee recommends that the Joint RPV Program receive $50,291,000 in fiscal 1988, a reduction of $52,610,000 from the budget request.

The Committee expects OSD to eliminate at least one duplicative program and to emphasize the development of RPV's which can adequately address the needs of more than one service.

The nonlethal RPV programs consolidated within this joint program include Aquila, the unmanned aerial vehicles [UAV] family, Pioneer, Amber, medium-range RPV, ex-drone, the airborne remotely operated device [AROD], and the unmanned air reconnaissance system [UARS]. The Committee also expects the Joint Program Office to exercise its coordination and decisionmaking authority over all RPV's and unmanned aerial vehicles being developed by the individual Armed Services, the Defense Advanced Research Projects Agency, and OSD, including programs being considered under the NATO and non-NATO cooperative R&D programs and the Foreign Weapons Evaluation Program. Day-to-day implementation of the Joint Program Office decisions should remain within each service involved, but the Committee emphasizes its recommendation that the Office of the Secretary of Defense exercise direct authority over these programs.

The Committee has recommended bill language which restricts the obligation and expenditure of the funds provided for these programs until OSD submits to Congress an updated, improved RPV master plan which outlines fully its decisions and assesses service cooperation with its attempts to coordinate RPV activities and to eliminate duplication.

(b) *Standoff weapons.*—Separate program elements within the Navy and Air Force for the surface land attack missile [SLAM], advanced interdiction weapon system [AIWS], AGM-130, Popeye, and modular standoff weapons system [MSOW] have been eliminated and the funds transferred to OSD under a Joint Standoff Weapons Program, to be managed as recommended for the joint RPV program. The Committee expects OSD to eliminate at least one duplicative program and to emphasize the development of standoff weapons which can adequately address the needs of more than one service. To encourage such priority-setting decisions, the Committee recommends that this joint program receive $58,246,000 in fiscal 1988, a reduction of $59,150,000 from the budget request.

The Committee also has recommended bill language restricting the obligation and expenditure of the funds provided for this joint program until OSD reports fully to Congress on its decisions.

(c) *Electronic warfare [EW] programs.*—Separate program elements within each service have been eliminated and the funds consolidated into one servicewide EW program in each service's RDT&E budget, for better coordination, management, and priority-setting.

To eliminate duplication, reduced funding is provided to each service as follows:

(1) *Army.*—$92,877,000, a reduction of $16,390,000 from the budget request; within the funds provided, the Committee expects that the high-priority Cameo Bluejay project will be funded at the level of the original budget request;

(2) *Navy.*—$211,109,000, a reduction of $37,255,000 from the budget request;

(3) *Air Force.*—$183,250,000, a reduction of $32,339,000 from the budget request.

The Committee expects that each service will eliminate at least one duplicative or low priority electronic warfare program and recommends that each service not obligate or expend any of the funds provided until it has reported fully to Congress about its decisions.

(d) *Antiarmor programs.*—Congress has expressed concern in the past about the costly proliferation of separate and redundant antiarmor weapons programs among the services, and an antiarmor master plan was mandated in an effort to address this situation. The latest master plan, and a review of the fiscal 1988 budget request, indicate this problem continues with respect to ground combat antiarmor weapons.

For example, to meet short term antiarmor needs, the Marines are developing warhead enhancements to the shoulder-fired multipurpose assault weapon [SMAW] in the light weapon category, and an improved variant of the basic Dragon medium weapon to be known as Dragon II. The Marines also propose to develop a significantly modified Dragon variant, the Dragon III, as a potential candidate to meet longer-term, medium antiarmor needs.

Conversely, the Army has foregone short term major research in the light weapon area in favor of procuring an existing missile, the AT–4. To meet its medium weapon requirements, the Army also will use the Dragon II in the near future, but will develop the advanced antiarmor weapons systems-medium [AAWS–M] in lieu of Dragon III for the longer term. The Marines also are developing plans to acquire AAWS–M, despite their program to develop Dragon III.

In the heavy antitank weapon arena, both services will employ improved TOW–II weapons in the short term and develop the AAWS-heavy system for the future.

The Committee questions the wisdom of investing significant resources to develop a short-term improvement to the SMAW in view of the fact that an alternative, nondevelopmental light weapon already exists. In addition, the antiarmor master plan considers SMAW as only an interim step toward a much more capable, light multipurpose individual munition [MIPM], and the Committee sees no reason why MIPM should not be accelerated to meet both Marine and Army requirements.

Furthermore, the timing of both the Dragon III and AAWS–M programs raises an issue of wasteful duplication, and the Committee does not believe that modest tank killing capabilities projected for the Dragon III justify its continued development. The Committee also believes that any impacts from unexpected delays in deploying the more capable AAWS–M for both services can be mitigated through acquisition of existing, nondevelopmental medium weapons which already possess capabilities comparable to those hypothesized for Dragon III.

Accordingly, the Committee recommends full funding of $36,066,000 requested for AAWS–M and of $2,143,000 sought for Dragon II, denial of the $26,804,000 sought for Dragon III and SMAW upgrades so as to terminate those programs, and provision of $13,000,000 to accelerate development of MIPM. In the procurement section of this report, the Committee outlines the additional acquisition of the already-developed AT–4, basic SMAW and TOW–II antiarmor weapons it is recommending to increase the near-term combat readiness of the Army and Marines.

In fully funding AAWS–M, the Committee also urges the Army to examine closely whether the provision of a secondary antihelicopter capability for the weapon degrades its performance of the primary antiarmor mission, especially with respect to inhibiting development of the maximum possible fire-and-forget capability to reduce gunner exposure to enemy actions. The Committee is also concerned about the effectiveness of the various antiarmor warheads under development in the AAWS–M program. Each of the AAWS–M candidate missiles has a different warhead, but the Army also is developing an alternative AAWS–M warhead due to concerns about the armor-killing effectiveness of the contractor-proposed warheads. However, the Army has made no provision to require that the AAWS–M candidate missiles be compatible with its alternative warhead. Therefore, the Committee believes that, at a minimum, the Army should ensure that the AAWS–M will be developed with a sufficiently capable warhead not suffering from the performance limitations of existing systems. Furthermore, the Committee recommends that each AAWS-M candidate be designed from its inception to be compatible—at minimum cost—with the alternative warhead being developed in the program, and expects the Army to report in the fiscal 1989 budget revision how it is implementing this recommendation.

The Committee also notes that the AAWS-M candidates under evaluation are required to weigh no more than 35 to 45 pounds because of the Army's doctrine that one soldier is the appropriate size crew for medium antiarmor weapons. The Committee also recognizes the Army's self-imposed limit on manpower growth to provide resources for other requirements. However, the Committee is concerned that the technology might not exist to develop a sufficiently capable antiarmor weapon light enough for only a one-man crew, and notes that many other armies, including most of our NATO allies, have adopted two man crews for their medium antitank weapons.

The Committee recognizes the tendency for antitank missiles to increase in weight, through heavier warheads and more powerful propulsion systems, to keep pace with advances in armor technology—or to otherwise become increasingly less lethal. The Army's TOW missile is an example of effective warhead growth; the M-72 LAW an example of weight-constrained obsolesence. Out of concern that the weight carrying limit of a one-man crew could artifically constrain the possible combinations of emerging technology, warhead weight, and lethality in the selection of the AAWS-M candidate, the Committee requests the Army to develop, operationally evaluate, and test doctrine for two man antitank weapons. If needed, the Army should use two-man weapon systems acquired in prior years for the operational test rather than buying additional systems with fiscal year 1988 funds. A report on the results of such a test should be submitted to the Appropriations Committees along with the fiscal 1990 budget request.

With respect to development of a future heavy antiarmor weapon, the Committee notes that serious questions exist about the AAWS-H program. The Army has yet to decide the operational and organizational concept for the proposed weapon and how many different AAWS-H candidates it will consider. The organizational issues affect the size, shape, weight, and numbers of systems to be developed. In addition, the Army is uncertain about the operational effectiveness of the baseline AAWS-H candidates, and has yet to complete a cost and operational effectiveness analysis [COEA] for the program. To afford more time for the Army to settle these central issues before accelerating this technologically ambitious, new start development effort, the Committee recommends deferring all but $5,500,000 of the $28,580,000 requested for AAWS-H in fiscal 1988. The Committee urges the Army to resolve these issues so as to permit expansion of the AAWS-H program to be considered during deliberations on the fiscal 1989 RDT&E budget. The Committee expects that the AAWS-H COEA will be submitted no later than March 31, 1988.

The Committee notes that the General Accounting Office [GAO], in a September 1987, report entitled "Antitank Weapons: Current and Future Capabilities," recommended development of a uniform methodology for assessing and comparing the performance of antitank weapons. The Committee understands that the Defense Department agrees with this recommendation and expects that the next annual antiarmor master plan will be modified to reflect implementation of this GAO recommendation.

Finally, the Committee is not convinced that the Defense Department has done enough to eliminate duplication in its antiarmor RDT&E programs, since ongoing and new efforts lacking validated military requirements or demonstrated combat utility continue to threaten to absorb limited research and development resources. Accordingly, the Committee recommends that no further obligation and expenditures be made by the Defense Department in connection with the short-range antiarmor weapon under development by the Navy and the Defense Advanced Research Projects Agency, and with the ground-launched Hellfire missile.

To further reduce the wasteful duplication in all these areas, the Committee also recommends that any RPV, EW, standoff weapons, and antiarmor weapons activities funded by the balanced technology initiative, conventional defense initiatives, NATO and non-NATO cooperative research and development programs, NATO comparative test program, and the Foreign Weapons Evaluation Program should be coordinated fully by the Secretary of Defense before such activities are undertaken.

The Committee expects that the joint RPV and standoff weapons programs it is recommending will decide which United States and non-United States systems in those areas will be funded, developed, or tested under all these programs, and that any EW and antiarmor weapons activities funded by these programs will be listed annually in the EW and antiarmor master plans, and reconciled in those plans with all other such Defense Department activities.

FUTURE COORDINATION OPPORTUNITIES

The Committee is interested in whether opportunities exist in at least two other major RDT&E areas—military space activities and military laser programs—for increased coordination to prevent duplication.

Therefore, the Committee requests the Secretary of Defense to submit with the fiscal 1989 budget revision separate reports containing comprehensive information about the programs, budgets, and activities of all components of the Defense Department in these two areas.

With respect to military space activities, the Committee requests that annual fiscal data be presented in both current and constant (fiscal 1988) dollars for fiscal years 1988–96, and by service, major materiel categories (launchers, rockets, satellites, ground facilities, et cetera), 5-year defense program [FYDP] categories, and appropriations accounts. The Committee also asks the Secretary to provide his recommendation whether military space activities should be consolidated for planning, programming, and budgeting purposes in either a new defense program planning category or a new major FYDP program.

The Committee believes that the multibillion dollar magnitude of annual Defense Department space activities requires that Congress receive more complete and timely information in this area if it is to exercise its appropriate oversight responsibilities.

With respect to military laser programs, the Committee requests that the same data be presented as for military space activities, except that a categorization of various lasers by type, technology, and wavelength (space-, air-, ship-, or ground-based; chemical, eximer, gas, x ray, free electron, et cetera) should substitute for the functional space activity categories.

The Committee expects that the information requested will be provided in both classified and unclassified versions, and will be accompanied by a full description of how the Defense Department currently attempts to minimize excessive redundancy among its programs in these two areas.

SPACE RECOVERY PROGRAM

The Committee has made two major recommendations regarding the Department of Defense's program to develop and procure sufficient launch capacity to provide assured access to space for high-value military satellites:

(1) An increase in Air Force procurement funds of $316,000,000 above the budget request for the Air Force's newly expanded Space Recovery Program, a multiyear endeavor to acquire additional heavy and medium lift expendable launch vehicles [ELV], develop a new medium booster rocket, and a new solid rocket motor for the Titan IV heavy lift booster, and construct new launch facilities;

(2) An appropriation of not less than $150,000,000 in RDT&E funds for the strategic defense initiative for a new heavy lift launch vehicle, the advanced launch system [ALS], to reduce significantly the cost to launch large payloads to low Earth orbit.

According to Air Force estimates, the newly expanded Space Recovery Program could add as much as $5,947,000,000 in presently unbudgeted costs to the $5,793,000,000 already included for space launch purposes in defense spending plans through fiscal 1994. The Committee notes that this $11,740,000,000 does not include the projected $18,902,700,000 to develop and attain an initial launch capability for the advanced launch system and its associated launch facilities, and the additional billions in the defense budget for other military space activities.

In reflecting on these costs, the Committee also is aware that the National Aeronautics and Space Administration [NASA] is contemplating the expenditure of about $1,500,000,000 for its own shuttle-derived heavy lift launch vehicle, and the expenditure of $14,600,000,000 to develop and deploy the space station by the mid-1990's.

However, in today and tomorrow's severely constrained fiscal environment, it appears highly likely that, under current plans, the Defense Department [DOD] and NASA will be competing for increasingly limited resources.

The Committee believes that both the military and civilian space programs are essential components of our national security posture and of maintaining U.S. scientific, technical, and commercial leadership in space. Nevertheless, the Committee must question whether the current plans of both DOD and NASA are affordable and realistic in a period of large Federal deficits, and whether these separate program agenda represent a coherent, national space launch policy and strategy. The Committee also must ask whether a proper balance has been achieved between the roles, missions, and leadership responsibilities of DOD and NASA in the national space program.

In approving funds for ALS in the Fiscal Year 1987 Supplemental Appropriations Act, the Committee restricted the commitment of most of the appropriation until DOD and NASA submitted a plan, approved by the President, to assign principal ALS development responsibilities between both agencies and thereby prevent duplication of effort and facilities. This plan has yet to be submitted.

Accordingly, in providing the additional funds for the Space Recovery Program and the funding for ALS in fiscal year 1988, the Committee is recommending bill language which, again, seeks to encourage decisions on the outstanding issues.

The recommended bill language regarding the Space Recovery Program would prevent the commitment of the $316,000,000 provided until: (*a*) the terms of the Fiscal Year 1987 Supplemental Appropriations Act are complied with regarding submission of the DOD and NASA plan for joint ALS development; and (*b*) the President submits an overall Space Recovery Program reconciling the separate DOD and NASA programs to meet the Nation's present and future (fiscal year 2000) space launch requirements. The Committee expects that this overall plan, in both classified and unclassified versions, will include a detailed schedule to meet the Nation's short-term and long-term requirements for space launch capabilities, including a comprehensive explanation of how all the separate, unmanned and manned launch vehicles, payloads, and launch facilities proposed by DOD and NASA fit into this overall plan, the annual costs of the plan for each agency in current and constant (fiscal year 1988) dollars, and a development and acquisition strategy for the plan which outlines the business strategy to be used for each launcher program and how the Government will maximize competition among industry contractors.

The Committee's recommended bill language regarding the ALS program would subject the $150,000,000 provided for fiscal 1988 to the same restrictions on obligation and expenditure as contained in the fiscal year 1987 supplemental. The proposed statutory provision also reflects changing definitions within the ALS program.

To meet additional fiscal 1987 funding requirements for the originally planned space launch program, the Committee also approves the requested Air Force reprogramming of $112,700,000, based on use of the alternative sources submitted for $41,000,000 of this total amount.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

1987 appropriation	$4,571,367,000
1988 budget estimate	5,511,172,000
House allowance	4,445,362,000
Committee recommendation	4,937,166,000

The Committee recommends an appropriation of $4,937,166,000, a reduction of $574,006,000 to the budget request. The recommendation is $491,804,000 above the House allowance.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	824,173	725,029	766,511	-57,662
Advanced technology development	400,711	324,452	360,016	-40,695
Strategic programs	98,136	95,136	98,136	
Tactical programs	2,882,235	2,021,671	2,219,780	-662,455
Intelligence and communications	124,214	109,382	107,757	-16,457
Defensewide mission support	1,181,703	1,072,262	1,086,089	-95,614

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
University research initiatives	84,554			-84,554
Electronic survivability/fuzing technology	51,746	40,282	47,000	-4,746
Ballistics technology	30,948	26,948	26,948	-4,000
Command, control, and communications technology	16,792	10,000	10,000	-6,792
Military engineering technology	42,426	39,926	37,500	-4,926
Medical technology	60,762	60,762	55,000	-5,762
Human factors/personnel/training advanced technology	38,164	29,486	34,000	-4,164
Missile/rocket components	20,321	20,321	18,000	-2,321
Aviation advanced technology	48,708	38,100	40,000	-8,708
CB defense/smoke advanced technology demonstration	4,734	3,564	3,564	-1,170
Antitactical missile system	29,501	5,243	26,501	-3,000
Identification-friend or foe developments	18,270	10,000	15,000	-3,270
Army data distribution system	33,855	28,000	28,000	-5,855
Forward area air defense systems	131,608	110,000	157,000	+25,392

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
SOF equipment advanced development	20,421	20,421	15,000	-5,421
Weapons and munitions advanced development	10,785	3,399	3,399	-7,386
Logistics/engineer equipment advanced development	20,505	20,505	17,000	-3,505
GRASS BLADE	12,798		10,000	-2,798
Army tactical missile system (ATACMS)	112,208	102,208	102,208	-10,000
Identification friend or foe (IFF) equipment development	19,073	19,073	17,000	-2,073
Nonsystem training devices engineering	32,539	22,000	22,000	-10,539
Automatic test equipment development	8,884	8,884	7,000	-1,884
Joint surveillance/target attack radar system	23,396	18,396	18,396	-5,000
Joint interoperability of tactical command and control	15,360	15,360	15,000	-3,360
Aviation engineering development	12,165	12,165	10,000	-2,165
Chemical systems engineering development	15,325	15,325	14,325	-1,000
Logistics/engineer equipment engineering development	14,830	14,830	12,000	-2,830
C^3 systems engineering development	15,851	15,851	14,000	-1,851
Aircraft modifications	18,429	18,429	15,000	-3,429
Missile/air defense product improvements	60,527	60,527	35,000	-25,527
Other missile product improvement program	43,250	43,250	40,000	-3,250
Joint Tactical Communications Program (TRI-TAC)	15,102	15,102	13,000	-2,102
Mapping and geodesy	7,459	6,959	6,459	-1,000
NAVSTAR GPS (user equipment)	13,732	10,000	10,000	-3,732
Kwajalein missile range	170,374	148,374	160,000	-10,374
Army test ranges and facilities	199,864	190,000	195,000	-4,864
Support of operational testing	54,016	50,000	50,000	-4,016
Programwide activities	88,514	88,514	83,000	-5,514
Base operations-RDTE	186,087	175,000	180,000	-6,087

COMMITTEE RECOMMENDED ADJUSTMENTS

The fiscal year 1988 budget request included increases for several programs which (*a*) exceeded by unjustfiably large percentages the amounts appropriated in fiscal year 1987, or (*b*) which represent basic generic RDT&E functions not associated with specific program requirements, or (*c*) which lacked convincing military rationale, or (*d*) proposed new projects of not high-enough priority to justify a new initiative in the present constrained fiscal environment. Accordingly, the Committee recommends the following adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Adjustment
Logistics technology	42,603	35,859	37,159	-5,444
Combat vehicle and automotive advanced technology	48,774	48,774	41,612	-7,162
Engineering systems	4,699	4,699	3,902	-797
Meterological equipment/systems	1,339	1,339	598	-741
Management HQ (R&D)	13,372	8,000	11,244	-2,128
Army technical test instrumentation/targets	84,939	70,000	54,939	-30,000
Army user test instrumentation/threat simulators	78,332	60,000	59,186	-19,146
Real property maintenance RDT&E	168,485	155,000	155,000	-13,485

The Committee further recommends the following adjustments based on information from the General Accounting Office [GAO], or the Army, that the funds requested either cannot be used in fiscal year 1988 due to program delays, or are in excess of firmly identified program requirements in fiscal year 1988:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Adjustment
Air defense C^3I-engineering development	108,016	91,116	91,116	-16,900
SATCOM ground environment	86,725	76,125	75,000	-11,725
Special operations forces equipment	95,472	70,472	80,500	-14,972

JOINT/MULTISERVICE PROGRAMS

As addressed in the introduction to the RDT&E section of this report, the Committee recommends the adjustments to the Army's electronic warfare [EW], remotely piloted vehicles [RPV], and ground combat antiarmor weapons programs, including several classified programs, as follow:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Adjustment
RPV programs:				
Missile technology	28,878	28,000	26,951	-1,927
RPV's and drones	11,546	5,546		-11,546
RPV's (Aquila)	32,620	10,000		-32,620
Unmanned aerial vehicles-engineering development	8,284	8,284		-8,284

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Adjustment
Electronic warfare programs:				
Aircraft survivability equipment	6,767			-6,767
Electronic warfare vulnerability/susceptibility	15,464			-15,464
Aircraft survivability equipment	8,001			-8,001
Army Consolidated electronic warfare programs		81,950	92,877	+92,877
Antiarmor programs:				
Advanced antitank weapon systems (AAWS-M/H)	59,146	30,566	36,066	-23,080
Multipurpose individual munition (MIPM) evaluation		5,000	13,000	+13,000

The Committee provides an alternative level of funding for Army RPV activities as part of a new joint RPV program in the "Defense Agencies RDT&E" account.

ADDITIONAL MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

Defense research sciences.—The Committee recommends $174,900,000, the full amount of the budget request for this program, but $60,489,000 above the amount reflected in the submitted budget documents, due to Army budget categorization procedures.

Logistics advanced technology.—In accordance with authorization action, the Committee recommends an appropriation of $10,000,000 for this program, a reduction of $6,475,000 to the budget request. The House allowance is the same. In addition, the Committee expects that $500,000 of the funds appropriated shall be used in fiscal year 1988 only to continue research under the Ammunition Containerization Development Program to explore the use of wood products for specialized munitions containers.

Army development and employment activity.—The Committee recommends an appropriation of $5,968,000 for this activity, a reduction of $5,968,000 from the budget request and the same amount below the House allowance. The creation of the Army's light divisions, along with the extensive operational experience of the Army's other rapidly deployable units (82d Airborne Division; 101st Air Cavalry Division), eliminate the need for a separate program focused primarily on mobility improvements associated with a single, nonheavy motorized division expected to go to war in similar environments as those expected for the light divisions. Funds provided shall only be used for the program to transition into a clearinghouse for improvement activities applicable to all Army light forces.

Acquired immune deficiency syndrome [AIDS] research.—The Committee recommends an appropriation of $11,500,000, an addition of $6,500,000 to the budget request and the same amount above the House allowance. The Committee believes that a consistent level of annual funding is critical to continue Army AIDS research. The funds provided, combined with available prior-year appropriations, sustains the annual requirement of $32,500,000.

The Committee is also concerned that sufficient personnel and administrative resources be made available to support AIDS research. The sustained level of annual funding provided by the Committee allows the Army to plan for and dedicate required numbers of military and civilian personnel to these projects. The Committee strongly believes that AIDS research should be a significant Army health care priority, and will closely monitor Army efforts to address the AIDS crisis.

Army battlefield technology integration.—The Committee recommends an appropriation of $5,955,000, a reduction of $6,266,000 from the budget request and the same amount below the House allowance. The Committee recommends this reduction to terminate the Army's project to develop an operationally questionable, low-priority tactical robotics vehicle.

Armored family of vehicles.—The Committee recommends an appropriation of $1,000,000, a reduction of $8,814,000 from the budget request. The Army's program to develop a future family of armored vehicles appears to be overly ambitious and probably unaffordable as currently configured. The program has changed significantly since submission of the budget request, and the Army's recent decision to resurrect a separate light tank program further complicates the prospects for filling the service's future armored vehicle needs, especially in view of the severe limits expected to be placed on future defense spending increases. The Committee recommendation would defer any significant expenditures in this program until the Army better addresses these issues. The House provided no funds for this program in fiscal 1988.

In addition, as addressed in the RDT&E introduction, the Committee's recommendation regarding this future-oriented program is made within the context of recommending a significant increase to the Army's program to enhance, in the near term, the survivability and combat effectiveness of its more-proven armored vehicles. The specifics of that increase to the budget also will be elaborated further later in this report.

Airborne adverse weather weapons system.—The Committee recommends an appropriation of $80,000,000 for this program, a reduction of $17,726,000 from the budget request. The reduction to this high-priority program is made with great reluctance and is only due to overall budget constraints. The Committee understands that the amount recommended is the minimum necessary to prevent signficant negative impacts on this important program. The recommendation is $50,000,000 above the House allowance.

Army Helicopter Modernization Program.—As discussed in the RDT&E introduction, the Committee recommends a total of $190,000,-

000 to modernize the Army's helicopter capabilities. Of the amount recommended, no more than $150,000,000 may be used for the advanced technology light helicopter series [LHX], the T-800 aircraft propulsion system, and other focused aviation modernization efforts, such as tilt rotor aircraft. The $150,000,000 provided represents a reduction from the combined request for the LHX/T-800 of $252,285,000. The remaining $40,000,000 is recommended as an addition to the budget request for improvements to the present fleet of AH-64 Apache and UH-60 Blackhawk helicopters. The allocation of these funds, with the overall sublimits established, is left to the discretion of the Secretary of the Army.

The total recommendation is $5,000,000 above the House allowance, which provided $10,000,000 for LHX development, $125,000,000 for the T-800 program, and $25,000,000 each to separate programs to upgrade the AH-64 and UH-60 helicopter fleets.

The Committee has viewed with increasing concern the status of the LHX program in light of the great uncertainty surrounding such fundamental issues as aircraft type, size, weight, crew number, total force level and composition, unit cost, total program cost and affordability, and fielding dates. The Committee is aware of the differing views of the Army and the Office of the Secretary of Defense regarding the cost effectiveness of various LHX alternatives, and that two independent studies have been undertaken in an effort to resolve all these issues. Also, the Committee recently has received preliminary information from the General Accounting Office [GAO] which indicates that the latest LHX program goals basically have been abandoned, and that aircraft weight and unit costs may be increasing significantly.

Finally, the Army's inability to answer many questions raised by its changing decisions regarding an overall aviation modernization plan—despite a Committee request as early as March 1987—casts further doubts about the wisdom of Congress prematurely committing significantly increased funding to the LHX program. In the Committee's opinion, it is insufficient for the Army to express its strong support for the LHX, and to urge full funding for the program, without addressing adequately how the service intends to pay for the program in today and tomorrow's fiscal climate and how LHX funding relates to the need to maintain the Nation's present helicopter production base, meet today's scout helicopter requirements, and modernize the present attack/utility helicopter fleet, which will have to be ready to deter agression for many years before LHX becomes a reality.

The Committee believes that extensive review during consideration of the fiscal 1989 budget revision will be required before Congress can act in a fully informed manner about whatever decisions the Army and OSD may recommend in the next few months on these complex issues. Accordingly, the funding level recommended for the Army Helicopter Modernization Program in fiscal 1988 is designed to maintain a basic research effort while minimizing the fiscal risk to the taxpayers. The Committee expects that the Secretary of the Army will inform it fully about his decisions as to the direction and composition of the overall, long-range helicopter aviation modernization program, including: (*a*) a full evaluation of all options for improving the current AH-64/UH-60 fleet and provision of a plan for spending the additional funds recommended for these upgrades; (*b*) annual aircraft quantities to be procured by all helicopter types; and (*c*) annual RDT&E and procurement funding requirements (in current and constant fiscal 1988 dollars, and by all helicopter types) through the year 2005.

For fiscal years 1986 and 1987, the Committees on Appropriations requested the Secretary of Defense to undertake an independent assessment of the Army's cost estimates for the LHX helicopter. That evaluation, which was to be conducted by the cost analysis improvement group [CAIG] within the Office of the Secretary of Defense, was to determine the validity of the Army's acquisition and O&S cost goals.

The Committee believes that such an independent analysis should be conducted with regard to the LHX program decisions expected in the near future. The Committee requests that a summary of the results and conclusions of this independent CAIG cost analysis be provided to it by OSD along with the Army's overall helicopter aviation modernization program.

Forward area air defense systems [FAADS].—The Committee recommends an appropriation of $66,000,000, a reduction of $65,608,000 to the budget request of $131,608,000, for the fiber optic guided missile [FOG-M] development program. The Committee also recommends an appropriation of $91,000,000 above the budget request for development of the forward area air defense-heavy [FAAD-H] system. Of this total, $50,000,000 represents the transfer of all but $9,400,000 of the amount requested for FAAD-heavy procurement, and an increase of $41,000,000 based on a revised Army request for additional R&D resources.

The Committee's recommendation for FOG-M development is $14,000,000 below the House allowance of $80,000,000 for the program. The Committee's FAAD-H recommendation is $44,400,000 above the House allowance for this program in RDT&E. The House allowance retained the $59,400,000 FAAD-heavy procurement request.

The Committee is very concerned with the costly redundancy of the FOG-M air defense development program, which is intended to develop the nonline of sight component of the overall FAAD system. The Army's current plan call for an initial, day/clear weather system that will be developed, produced, and fielded without a formal operational test and evaluation [OT&E]. Concurrently, the Army will be developing a more capable follow-on FOG-M, block I, an all weather, day/night system with increased range, to fulfill the same mission requirements as the initial system. The Army plans to field the block I FOG-M about 18 months after the initial system.

Given limited defense budgets, the Committee does not believe the Army should develop costly parallel systems for the same mission. To that end, the Committee recommends the $66,000,000 provided be used to complete initial operational evaluation [IOE] of the initial FOG-M system as part of a restructured acquisition plan and that the Army use the lessons learned from the baseline IOE to accelerate the development and fielding of the more capable, block I objective system. The Committee does not believe the Army should pursue plans for the production and fielding of the proposed initial, less capable FOG-M system. Also, the Committee does not feel the Army has explained fully the role of target acquisition or cueing systems to optimize the performance of the FOG-M system. Therefore, within this restructured program, the Committee requests the Army to identify the role of proposed target acquisition or cueing systems in the employment of the FOG-M, and to compare the fielding schedules of these systems with the FOG-M.

Finally, the Army's FAAD-heavy request included $59,400,000 for the acquisition of four preproduction fire units, and $41,000,000 to complete development testing and modification of these units. The $59,400,000 was based on an Army estimate developed from initial contractor proposals. The Committee is convinced that when the Army receives the contractor's best and final offers, and negotiates final prices, this highly competitive development program will yield substantial savings over the Army's original estimates. The Committee bases its recommendation for a $9,400,000 reduction for the forward area air defense-heavy project on this expectation.

Mobility.—The Committee recommends an appropriation of $28,100,000 for this program to develop new medium and heavy trucks for tactical operations. The reduction of $7,167,000 from the budget request is the amount the Army has identified as excess to funding requirements in fiscal year 1988 due to a restructuring of the program. The Committee further believes that the Army should capitalize on the substantial investment in new technology by the private sector by emphasizing a development and acquisition strategy for new heavy trucks which maximizes open competition.

The Committee also is recommending a general provision regarding the palletized loading system truck. The statutory language is discussed in the general provisions section of this report.

The House allowance provided no funds for this program but provided $10,000,000 for a separate medium tactical truck program.

Weapons and munitions engineering development.—The Committee recommends $109,302,000 for this program, a reduction from the budget of the $2,602,000 associated with initiation of a program to develop enhanced ammunition for the 120 mm mortars currently being considered for Army acquisition. The Committee has been informed that program delays and technical problems prevented the planned utilization of the funds provided in fiscal years 1986 and 1987 for 120 mm mortar testing and evaluation. Since the Army intends to use the $10,300,000 provided last fiscal year for a new series of tests and evaluation of 120 mm mortar candidates in fiscal year 1988, the Committee believes it would be premature to initiate an ammunition enhancement program. Further effort in the 120 mm mortar program, especially with respect to ammunition enhancement, should be deferred pending the outcome of the new tests to determine if the performance deficiencies previously identified with the candidate mortars have been eliminated, and pending Committee examination during the fiscal year 1989 budget review of the reasons for the cost growth in this purportedly straightforward, nondevelopmental program. The House allowance fully funds the budget request for this program.

Advanced field artillery tactical data system [AFATDS].—The Committee recommends an appropriation of $31,712,000 for this program to develop communications, computer, data transmission, and data display equipment to permit the more rapid targeting of many fire support assets, including field artillery, helicopters, naval gunfire, tactical aircraft, and surface-to-surface missiles, against high priority targets. The $9,145,000 reduction to the budget request is recommended to prevent premature expenditures and commitment to the AFATDS system before tests scheduled for next year are held to determine whether major software and performance deficiencies in the program have been resolved satisfactorily. The Committee expects that the Army will not obligate or expend any of the provided funds not associated directly with the conduct of the concept evaluation test and the formal qualification test until after the results of both tests have been reported fully to the Committee.

The House allowance denied all requested funding for the AFATDS program.

Combat Vehicle Improvement Program.—The Committee recommends an appropriation of $127,768,000, an addition of $23,800,000 to the budget request, for this program to improve our current armored vehicles. This increase includes $18,800,000 to accelerate development of the M–1A1 block II survivability/combat effectiveness enhancements and $5,000,000 to continue development of a generic system for combat vehicles and small shelters which provides nuclear-biological-chemical [NBC] protection, environmental control, and electrical power in a low-cost, small-volume package. These additions reflect the Commmittee's approach to accelerating near-term enhancements to proven weapons systems instead of prematurely embarking on technologically risky, longer-term programs. The Committee's recommendation is $30,417,000 above the House allowance, which allocated $10,000,000 from within that $97,351,000 allowance for development of the generic NBC protection/environmental control system.

The additional funding provided to the M–1A1 block II upgrade represents almost all of the amount underfunded in the program for fiscal 1988. The Committee believes that acceleration of the M–1A1 block II enhancements is a high priority in view of the latest acknowledged improvements to Soviet tank forces.

In addition, the Committee approves the reprogramming request to restore $38,000,000 diverted in fiscal 1987 from several armor-related programs, including the M–1A1 block II program, to pay for Bradley fighting vehicle live-fire testing.

Finally, the Committee recommends that $2,000,000 available in the Combat Vehicle Improvement Program due to delays in M-1A1 live-fire testing may be used only to conduct comparative operational and developmental tests between candidate armored recovery vehicles, before the Army commits to production of any particular tank recovery vehicle under a sole source contract.

The Committee expects that the Army shall conduct such tests and not commit to production of any of the candidate armored recovery vehicles until after it has reported fully the results of this competition to the Committee.

Therefore, the Committee is recommending statutory language to restrict the use of advance procurement funds for the M-88A2 armored recovery vehicle until the Committee receives this report and a certification by the Defense Department's Director of Operational Test and Evaluation that the candidate vehicle chosen by the Army is more cost effective in meeting Army requirements. The Committee also is concerned with the potential weight growth of the M-1A1 tank series to 70 or more tons and the effect this may have on the evaluation of candidate recovery vehicles. The Committee expects the Army to certify to Congress the maximum weight growth of M-1A1 series tanks and to test all follow-on recovery vehicle candidates at this maximum weight.

The Committee further understands that the Army now is conducting an analysis which could alter its inventory objective of armored recovery vehicles and provide for the acquisition of other vehicles to help meet its battlefield recovery/maintenance requirements. The Committee expects that the results of this analysis will be submitted along with the report on the comparative tests of candidate armored recovery vehicles.

The House allowance provides no funds for such comparative testing.

Landmine warfare/barrier engineering development.—The Committee recommends an appropriation of $14,843,000 for this program, an increase of $7,500,000 above the budget request to fund completion of development of the wide-area side-penetrating mine [WASPM]. The funds provided should fund final preparation of the technical data package for this antiarmor mine warfare system. The recommendation is $3,500,000 above the House allowance, which added $4,000,000 for WASPM development to the budget request.

Chemical/biological defense equipment engineering development.—The Committee recommends an appropriation of $23,122,000 for this program, a reduction of $1,000,000 from the budget request as recommended by authorization action. Within the funds provided, $600,000 may only be used to test and evaluate the fluid intake suction tubing [FIST] hydration system as an improved drinking system for chemical warfare protective masks. The House allowance provided full funding for the requested program and added $600,000 above the budget request for a separate program to evaluate a chemical mask improved drinking system.

Self-propelled Howitzer improvement program.—The Committee recommends an appropriation of $30,000,000, the same amount as the

House allowance and a reduction of $16,978,000 to the budget request, for this program to enhance the reliability, survivability, and effectiveness of the Army's 155 mm self-propelled Howitzer. The Committee understands that the Army has been informed there may be a cost increase associated with this program. The Committee requests that the Army determine whether a validated cost increase has occurred and report any increase in cost that exceed the funds provided in this act for this program. The Army should also address how it would propose to meet any unfunded costs. This report should be provided to the Committee no later than March 1, 1988.

Medical advanced technology.—The Committee recommends an appropriation of $35,000,000, a reduction of $4,164,000 to the budget request for this program, which includes exploration of field medical protective devices and nutrition research. The Committee's reduction is based on authorization action. This is $1,344,000 above the House allowance.

The House allocated $3,500,000 for nutrition research on issues affecting Army personnel and dependents in a peacetime environment because of the effect of food, diet, and nutrition on military readiness and preparedness. The Committee agrees with the House on this matter.

Equipment upgrade.—The Committee recommends an appropriation of $6,372,000 for this program, a reduction of $8,810,000 to the budget request, to terminate development of improvements to 106 mm recoilless rifles no longer in U.S. inventories, but used by our allies. In this period of severe federal budget constraints, the Committee believes that funding of programs solely benefiting non-U.S. Armed Forces, including those of several nations with far stronger economies than that of the United States, is of low priority. The recommendation is $28,810,000 below the House allowance, which added $20,000,000 to the budget request.

Stinger missile lockout.—The Committee is aware of the potential that, with the transfer of Stinger surface-to-air missiles overseas, a substantial risk exists that some of these capable antiaircraft weapons may become diverted illegally for unauthorized uses, including by terrorists. The Committee recommends that $4,000,000 of the funds provided for Army research and development only may be used to develop without delay a device to neutralize any diverted Stinger missiles. The Committee is concerned that the Army has not assigned sufficient priority to this effort in the past, and expects, therefore, that the service will submit a report no later than July 1, 1988, providing a detailed schedule and program as to how it is complying with this recommendation and the requirements imposed by the Fiscal Year 1988 Defense Authorization Act. The House allowance added $4,000,000 to the budget request for a separate program for this purpose.

Miscellaneous classified programs.—The Committee recommends an addition of $3,000,000 to the budget request for miscellaneous classified Army programs. Further explanation of this recommendation is contained in the classified annex to the Committee's report.

Army special operations forces reprogramming.—To demonstrate its support for improving U.S. special operations forces capabilities, within prudent fiscal limits, the Committee also approves the requested reprogramming of $22,900,000 to prevent delays in the effort to develop MH-60/MH-47 helicopters for special operations missions.

Combat assault bridging.—The Committee is aware that the Army is conducting a concept evaluation test to determine the basic operational utility of pipe fascine systems employed by some of our NATO allies as a narrow gap crossing system. The Committee is interested in the potential of such nondevelopmental systems to provide a low cost, rapidly deployable capability for the Army and Marine Corps to defeat conventional, narrow tank traps. The Committee wishes to be informed fully about the results of the Army's test and provided with the Army's recommendation regarding future operational testing and procurement of such systems, no later than March 1, 1988, so it may evaluate this system during consideration of the fiscal 1989 budget revision.

Evaluation of 105 mm kinetic energy tank munitions.—The Committee understands that the Army is evaluating an Israeli 105 mm kinetic energy [KE] tank munition and recommends that the Army determine if this munition is more effective than the Army's present ammunition and if it is cost effective. Since the current standard United States 105 mm KE tank munition is entering its final year of production, the Committee recommends the Army evaluate the Israeli 105 mm KE munition against requirements for next generation United States munitions being readied for production.

The Committee further recommends that the Army test 105 mm KE munitions manufactured by our NATO allies. If it is determined that any of the evaluated munitions is conclusively both more effective against enemy targets as well as being cost effective, the Committee believes the Army should determine whether there is a validated military requirement for procurement of this munition.

If the Army determines such a validated military requirement exists, it should report to the Committee on the impact of such procurement across the entire U.S. munitions and logistical base, including any negative, present and future impacts on the domestic defense industrial base and on the Army's logistics capabilities. The report also should address any positive impacts from such procurement on the cooperative defense relationship between the United States and the allied nation involved, and include a detailed comparison of the tested capabilities of all the evaluated munitions.

Helicopter heavy lift improvements.—The Committee understands that the possibility may exist for improving the Army's heavy lift helicopter capabilities to transport cargo to accomplish the logistics-over-the-shore [LOTS] mission. Specifically, the Committee has been informed the Army may be evaluating the multihelicopter external lift system [MHELS] for this mission, and requests that the results of this evaluation be provided no later than March 31, 1988. The Committee would like to be informed about the costs and benefits of further development of the MHELS system, and how the Army intends to modernize its medium and heavy lift helicopter capabilities, including the evolving Army plan for an advanced cargo aircraft. The Army should include the information about modernizing its transport helicopter fleet in the overall aviation modernization plan required by the Committee as part of its recommendations on the LHX program.

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Research Development Test & Eval Army						
Technology Base						
In-House Laboratory Independent Research	—	—	—	—	—	—
Defense Research Sciences	114,411	184,411	163,729	174,900	+60,489	+11,171
University Research Initiatives	84,554	—	—	—	-84,554	—
Materials	11,715	11,715	11,715	11,715		
Atmospheric Investigations	—	—	—	—		
Electronic Survivability and Fuzing Technology	51,746	47,000	40,282	47,000	-4,746	+6,718
Aircraft Weapons Technology	—	—	—	—	—	—
Aircraft Avionics Technology	—	—			—	—
Aeronautical Technology	—	—	—		—	—
Airdrop Technology	—	—	—	—	—	—
Missile Technology	28,878	28,878	28,000	26,951	-1,927	-1,049
Laser Weapons Technology	11,167	11,167	8,958	11,167	—	+2,209
Tank and Automotive Technology	23,363	23,363	22,720	23,363	—	+643
Ballistics Technology	30,948	26,948	26,948	26,948	-4,000	—
Chemical and Smoke Munitions	45,444	45,444	45,444	45,444	—	—
Joint Service Small Arms Program	13,593	13,593	13,593	13,593	—	—
Weapons and Munitions Technology	24,931	24,931	21,931	24,931	—	+3,000
Tactical Teleprocessing Technology	—	—	—	—	—	—
Combat Surveill Target Acquis & Ident	—	—	—	—	—	—
Mil Environmental Criteria Development	—	—	—	—	—	—
Electronics and Electronic Devices	21,775	21,775	21,775	21,775	—	—
Chem Biological Def/Gen Invest	—	—	—	—	—	—
Mapping - Geodesy	—	—	—	—		
Night Vision Investigations	22,584	22,584	22,584	22,584		
Human Factors Engineering in Systems Development	15,372	15,372	14,622	15,372	—	+750
Human Performance Effect/Simulation	—	—	—	—	—	—
Mobility and Weapons Effects Tech	—	—	—	—	—	—
Environmental Quality Technology	9,923	9,923	9,923	9,923	—	—
Manpower/Personnel/Training	—	—	—	—	—	—
Clothing Equip and Shelter Tech	—	—	—	—	—	—
Jt Svc Food Sys Tech	—	—	—	—	—	—
Computer and Information Science	—	—	—	—	—	—
Non-System Training Devices	4,011	4,011	4,011	4,011	—	—
Cold Regions Engineering Technology	—	—	—	—	—	—
Military Facilities Engineering Technology	—	—	—	—	—	—
Mobility Equipment Technology	—	—	—	—	—	—
Med Defense Against Chem Agents	—	—	—	—	—	—
Tactical Software Technology	—	—	—	—	—	—
Military Disease Hazards Technology	49,435	49,435	46,435	49,435	—	+3,000
Combat Casualty Care Tech	—	—	—	—	—	—
Combat Maxillofacial Injury	—	—	—	—	—	—
Systems Health Hazard Prevent Tech	—	—	—	—	—	—
Energy Tech Appl For Military Facilities	—	—	—	—	—	—
Command, Control and Communications Technology	16,792	10,000	10,000	10,000	-6,792	—
Computer and Software Technology	8,227	8,227	8,227	8,227	—	—
Military Engineering Technology	42,426	37,500	39,926	37,500	-4,926	-2,426
Manpower/Personnel/Training Technology	15,581	15,581	15,581	15,581	—	—
Logistics Technology	42,603	38,000	35,859	37,159	-5,444	+1,300
Medical Technology	60,762	55,000	60,762	55,000	-5,762	-5,762
Common Module Tunable Laser	—	3,000	—	—	—	—
Classified Programs	73,932	52,004	52,004	73,932	—	+21,928
Total, Technology Base	824,173	764,862	725,029	766,511	-57,662	+41,482
Advance Technology Development						
Logistics Advanced Technology	16,475	10,000	10,000	10,000	-6,475	—
Medical Advanced Technology	39,164	35,000	33,656	35,000	-4,164	+1,344
Aviation Advanced Technology	48,708	40,000	38,100	40,000	-8,708	+1,900
Weapons and Munitions Advanced Technology	24,914	24,914	24,914	24,914	—	—
Combat Vehicle and Automotive Advanced Technology	48,774	44,774	48,774	41,612	-7,162	-7,162
Command, Control and Communications Technology	7,485	7,485	7,485	7,485	—	—
Human Factors/Personnel/Training Advanced Technology	38,164	34,000	29,486	34,000	-4,164	+4,514
Materiels and Structures	8,185	8,185	8,185	8,185	—	—
Fuels and Lubricants	—	—	—	—	—	—
Acquired Immune Deficiency Syndrome (AIDS) Research	5,000	5,000	5,000	11,500	+6,500	+6,500
Aircraft Power Plants and Propulsion	—	—	—	—	—	—

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Aircraft Weapons	---	---	---	---	---	---
Aircraft Avionics Equipment	---	---	---	---	---	---
Rotary Wing Controls/Rotors/Structures	---	---	---	---	---	---
Synthetic Flight Simulator Development	---	---	---	---	---	---
Airdrop Advancement	---	---	---	---	---	---
NOE Aviation and Navigation Equipment	---	---	---	---	---	---
Operational Enhancement	7,757	7,757	7,757	7,757	---	---
Terminally Guided Projectiles	---	---	---	---	---	---
Missile and Rocket Components	20,321	18,000	20,321	18,000	-2,321	-2,321
High Energy Laser and Directed Energy Components	7,831	7,831	---	7,831	---	+7,831
Battlefield Environment Simulation	---	---	---	---	---	---
Army Development and Employment Activity	11,936	10,936	11,936	5,968	-5,968	-5,968
Advanced Land Mobility Systems Concepts	---	---	---	---	---	---
Landmine Warfare & Barrier Developments	10,675	10,675	10,675	10,675	---	---
Joint Service Small Arms Program	10,820	10,820	10,820	10,820	---	---
Combat Vehicle Propulsion Sys	---	---	---	---	---	---
Combat Veh Turret and Chassis Subsys	---	---	---	---	---	---
Combat Vehicle Armor/Anti-armor	---	---	---	---	---	---
Ad. Propulsion/Launch Sys For Munitions	---	---	---	---	---	---
Ammunition Logistics	---	---	---	---	---	---
Night Vision Advanced Development	23,653	23,653	23,653	23,653	---	---
Tactical C4 Technology Integration	---	---	---	---	---	---
Manpower and Personnel	---	---	---	---	---	---
Engineering Systems	4,699	4,699	4,699	3,902	-797	-797
Human Factors In Tng/Oper Effect	---	---	---	---	---	---
Advanced Electronic Devices	7,089	7,089	7,089	7,089	---	---
Education and Training	---	---	---	---	---	---
Training Simulation	---	---	---	---	---	---
Test Measurement & Diagnostic Equipment Devel	---	---	---	---	---	---
Technical Vulnerability Reduction	---	---	---	---	---	---
Army Battlefield Technology Integration	12,221	12,221	12,221	5,955	-6,266	-6,266
CB Defense/Smoke Advanced Technology Demonstration	4,714	3,544	3,544	3,544	-1,170	---
Nonsystems Medical Material Development	---	---	---	---	---	---
Medical Chemical Defense Life Support	---	---	---	---	---	---
Advanced Tactical Computer Science Technology	6,117	6,117	6,117	6,117	---	---
Classified Programs	35,989	---	---	35,989		+35,989
Total, Advance Technology Development	400,711	332,720	324,452	360,016	-40,695	+35,564
Strategic Programs						
Classified Programs	98,136	95,136	95,136	98,136	---	+3,000
Total, Strategic Programs	98,136	95,136	95,136	98,136	---	+3,000
Tactical Programs						
Air Mobility Support	---	---	---	---	---	---
Joint Survivability Investigations	---	---	---	---	---	---
Advanced Rotocraft Technology Integration LHX	---	---	---	---	---	---
Airdrop Equipment Systems	---	---	---	---	---	---
Antitactical Missile System	29,501	26,501	5,243	26,501	-3,000	+21,258
Surface-to-Surface Missile Rocket System	29,560	29,560	---	29,560	---	+29,560
Lightweight Air Defense System	---	---	---	---	---	---
Weapons and Ammunition	---	---	---	---	---	---
Advanced Anti-Tank Weapon System	59,146	55,000	30,566	36,066	-23,080	+5,500
Lethal Chemical Munitions Concepts	---	---	---	---	---	---
Landmine and Barrier Systems	15,797	15,797	15,797	15,797	---	---
Smoke Munitions & Materiel Concepts	9,707	9,707	9,707	9,707	---	---
Artillery/Mortar Ammo Development	---	---	---	---	---	---
Electric Power Sources	---	---	---	---	---	---
Armored Family of Vehicles - Advanced Development	9,814	9,814	---	1,000	-8,814	+1,000
Physical Security	---	---	---	---	---	---
Identification-Friend or Foe Developments	18,270	15,000	10,000	15,000	-3,270	+5,000
Communications Development	---	---	---	---	---	---
Aircraft Survivability Equipment	6,767	---	---	---	-6,767	---
Army Data Distribution System	33,855	28,000	28,000	28,000	-5,855	---
Electronic Warfare Vulnerability/Susceptibility	15,464	---	---	---	-15,464	---
Chemical/Bio Protective Materiel Concepts	---	---	---	---	---	---
Remotely Piloted Vehicles and Drones	11,546	5,546	5,546	---	-11,546	-5,546

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Combat Support Equipment	—	—	—	—	—	—
Combat Medical Material	—	—	—	—	—	—
Non-System Training Devices	—	—	—	—	—	—
Air Defense Command, Control and Intell - Adv Dev	4,337	4,337	4,337	4,337	—	—
Soldier Support and Survivability	3,864	3,864	3,864	3,864	—	—
Drug and Vaccine Development	—	—	—	—	—	—
Medical Defense Against Chemical Warfare	27,112	27,112	27,112	27,112	—	—
Forward Area Air Defense Systems	131,608	165,000	110,000	157,000	+25,392	+47,000
SOF Equipment Advanced Development	20,421	15,000	20,421	15,000	-5,421	-5,421
Combat Service Support Control Sys	—	—	—	—	—	—
Night Vision Systems Advanced Development	4,944	4,944	4,944	4,944	—	—
Air Mobility Support Equipment	—	—	—	—	—	—
Light Armored/Weasel Evaluation	—	—	—	—	—	—
Airborne Adverse Weather Weapons System	97,726	97,726	30,000	80,000	-17,726	+50,000
Aviation Advanced Development	3,041	3,041	3,041	3,041	—	—
Weapons and Munitions Advanced Development	10,785	3,399	3,399	3,399	-7,386	—
Chemical Systems Advanced Development	15,325	15,325	15,325	15,325	—	—
Logistics and Engineer Equipment Advanced Development	20,505	17,000	20,505	17,000	-3,505	-3,505
Combat Service Support Computer System Evaluation	1,195	1,195	1,195	1,195	—	—
Chemical/Biological Defense Equipment Advanced Develop	6,485	6,485	6,485	6,485	—	—
Medical Systems Advanced Development	21,863	21,863	21,863	21,863	—	—
Aircraft Weapons	9,789	9,789	9,789	9,789	—	—
Aircraft Propulsion System	135,073	125,000	125,000	—	-135,073	-125,000
Synthetic Flight Training System	—	—	—	—	—	—
Airdrop Equip Development	—	—	—	—	—	—
Advanced Technology Light Helicopter Series	267,212	170,000	10,000	—	-267,212	-10,000
STINGER	4,820	4,820	4,820	4,820	—	—
GRASS BLADE	12,798	10,000	—	10,000	-2,798	+10,000
Army Tactical Missile System (ATACMS)	112,208	112,208	102,208	102,208	-10,000	—
Infantry Support Weapons	—	—	—	—	—	—
Mobility	35,267	35,267	—	28,100	-7,167	+28,100
Medium Tactical Truck	—	—	10,000	—	—	-10,000
Smoke Munitions & Materiel	10,072	10,072	10,072	10,072	—	—
Countermine and Barriers	—	—	—	—	—	—
Landmine Warfare	—	—	—	—	—	—
M1A1 Development Program	—	—	—	—	—	—
Field Artillery Ammunition	—	—	—	—	—	—
Comm Engineering Dev	—	—	—	—	—	—
Modular Integrated Comm and Navigation Sys	—	—	—	—	—	—
Joint Tactical Information Distribution System	4,307	4,307	4,307	4,307	—	—
Identification Friend or Foe (IFF) Equipment Develop	19,073	17,000	19,073	17,000	-2,073	-2,073
Night Vision Devices	15,271	15,271	18,271	15,271	—	-3,000
Aircraft Survivability Equipment	8,001	—	—	—	-8,001	—
Army Command and Control Systems Engineering	—	—	—	—	—	—
Combat Feeding, Clothing, and Equipment	1,333	1,333	1,333	1,333	—	—
Tactical Electrical Power Sources	—	—	—	—	—	—
General Combat Support	—	—	—	—	—	—
Nonsystem Training Devices Engineering	32,539	22,000	22,000	22,000	-10,539	—
Physical Security	6,784	6,784	3,002	6,784	—	+3,782
Education and Training Systems Development	5,447	5,447	5,447	5,447	—	—
Special Purpose Detectors	1,430	1,430	1,430	1,430	—	—
Chem/Bio Detection Warning & Training Materiel	—	—	—	—	—	—
Chem/Bio Protective Materiel	—	—	—	—	—	—
Command and Control	—	—	—	—	—	—
Meteorological Equipment and Systems	1,339	1,339	1,339	598	-741	-741
Remotely Piloted Vehicles	32,620	10,000	10,000	—	-32,620	-10,000
Unmanned Aerial Vehicles - Eng Dev	8,284	8,284	8,284	—	-8,284	-8,284
Air Defense Command, Control and Intell - Eng Dev	108,016	103,016	91,116	91,116	-16,900	—
Automatic Test Equipment Development	8,884	7,000	8,884	7,000	-1,884	-1,884
Single Chan Gnd & Abn Radio Sys (SINCGARS) Eng Dev	—	—	—	—	—	—
Medical Chemical Defense Life Support Material	7,705	7,705	7,705	7,705	—	—
Drug and Vaccine Development	—	—	—	—	—	—
Joint Surveillance/Target Attack Radar System (JSTARS)	23,396	18,396	18,396	18,396	-5,000	—
Joint Interoperability of Tactical Command & Control	18,360	15,000	15,360	15,000	-3,360	-360
Aviation Engineering Development	12,165	10,000	12,165	10,000	-2,165	-2,165
Weapons and Munitions Engineering Development	111,904	109,553	111,904	109,302	-2,602	-2,602
Chemical Systems Engineering Development	15,325	14,325	15,325	14,325	-1,000	-1,000
Logistics and Engineer Equip Engineering Development	14,830	12,000	14,830	12,000	-2,830	-2,830
Command, Control, Communications Systems Eng Dev	15,851	14,000	15,851	14,000	-1,851	-1,851
Chem Bio Defense Equip Engineering Dev	24,122	23,122	24,122	23,122	-1,000	-1,000
Medical Materiel/Medical Biological Defense Equipment	13,453	13,453	13,453	13,453	—	—
Landmine Warfare/Barrier Engineering Development	7,343	12,000	11,343	14,843	+7,500	+3,500

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Joint CB Point of Contact, Test and Assessment	6,403	6,403	6,403	6,403	—	—
Heavy Anti-tank Assault Wpn Sys (TOW)	—	—	—	—	—	—
Adv Field Artillery Tactical Data System	40,857	35,000	—	31,712	-9,145	+31,712
Chaparral	—	—	—	—	—	—
Sam Hawk/Hawk Imp Prog	—	—	—	—	—	—
Combat Vehicle Improvement Program	103,968	103,968	97,351	127,768	+23,800	+30,417
Air Defense C2I Mods	14,637	14,637	4,000	14,637	—	+10,637
Maneuver Control System	13,973	13,973	13,973	13,973	—	—
155mm Self-Propelled Howitzer Improvements	46,978	40,000	30,000	30,000	-16,978	—
Aircraft Modifications	18,429	15,000	18,429	15,000	-3,429	-3,429
Equipment Upgrade	15,137	15,137	35,137	6,327	-8,810	-28,810
Patriot Product Improvement Program	—	—	—	—	—	—
HELLFIRE Product Improvement Program	—	—	—	—	—	—
Special Operations Forces Equipment	95,472	95,472	70,472	80,500	-14,972	+10,028
Aircraft Engine Component Improvement Program	6,144	6,144	6,144	6,144	—	—
Missile/Air Defense Product Improvement Program	60,527	35,000	60,527	35,000	-25,527	-25,527
Other Missile Product Improvement Program	43,250	40,000	43,250	40,000	-3,250	-3,250
Joint Tactical Communications Program (TRI-TAC)	15,102	13,000	15,102	13,000	-2,102	-2,102
EUCOM C3 Systems	1,289	1,289	1,289	1,289	—	—
Rotary Wing Study	—	—	—	—	—	—
Composite Helicopter Rotor System	—	—	—	—	—	—
ATBM (Extended Air Defense)	—	25,000	—	—	—	—
Polymer Process and Tech	—	200	—	—	—	—
General Reduction	—	—	—	—	—	—
Classified Programs	686,410	636,292	433,465	686,410	—	+252,945
Consolidated EW Programs	—	103,804	81,950	—	—	-81,950
Total, Tactical Programs	2,882,235	2,711,456	2,021,671	2,219,780	-662,455	+198,109
Intelligence & Communications						
Long-Haul Communications (DCS)	—	—	—	—	—	—
SATCOM Ground Environment	86,725	81,725	76,125	75,000	-11,725	-1,125
Communications Security (COMSEC)	5,217	5,217	5,217	5,217	—	—
Aircraft Avionics	—	—	—	—	—	—
Mapping and Geodesy	7,459	6,459	6,959	6,459	-1,000	-500
NAVSTAR Global Positioning System (User Equipment)	13,732	13,732	10,000	10,000	-3,732	—
Classified Programs	11,081	11,081	11,081	11,081	—	—
Total, Intelligence & Communications	124,214	118,214	109,382	107,757	-16,457	-1,625
Defensewide Mission Support						
Target Missiles	—	—	—	—	—	—
NATO Research and Development	—	—	—	—	—	—
Non-System Tng Devices Engr	—	—	—	—	—	—
Meteorological Equipment and Systems	—	—	—	—	—	—
Aviation Engr Flt Act	—	—	—	—	—	—
Kwajalein Missile Range	170,374	160,000	148,374	160,000	-10,374	+11,626
Army Test Ranges and Facilities	199,064	195,000	190,000	195,000	-4,064	+5,000
Army Technical Test Instrumentation and Targets	84,939	82,000	70,000	54,939	-30,000	-15,061
Army User Test Instrumentation and Threat Simulators	78,332	74,000	60,000	59,186	-19,146	-814
Support of Development Testing	19,309	19,309	19,309	19,309	—	—
Materiel Systems Analysis	25,179	25,179	20,000	25,179	—	+5,179
Exploitation of Foreign Items	4,392	4,392	4,392	4,392	—	—
Support of Operational Testing	54,016	50,000	50,000	50,000	-4,016	—
Threat Simulators For Testing	—	—	—	—	—	—
Programwide Activities	88,514	83,000	88,514	83,000	-5,514	-5,514
International Cooperative Research and Development	1,093	1,093	1,093	1,093	—	—
Technical Information Activities	6,285	6,285	5,500	6,285	—	+785
AMC Major Ranges and Test Facilities	—	—	—	—	—	—
Munitions Standardization, Effectiveness and Safety	14,334	14,334	14,334	14,334	—	—
DOD High Energy Laser Systems Test Fac	—	—	—	—	—	—
RDT&E Support for Nondevelopmental Items	7,842	7,842	7,842	7,842	—	—
Productivity Investments	38,382	38,382	35,000	38,382	—	+3,382
Real Property Maintenance - RDT&E	168,485	160,000	155,000	155,000	-13,485	—
Base Operations - RDT&E	186,087	180,000	175,000	180,000	-6,087	+5,000

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Management Headquarters (RD)	13,372	12,000	8,000	11,244	-2,128	+3,244
Industrial Preparedness	20,904	20,904	19,904	20,904	—	+1,000
Total, Defensewide Mission Support	1,303,703	1,273,722	1,272,262	1,288,089	-15,614	+15,827
Conventional Defense Initiative:						
Guard/Reserve Stinger FAD	—	4,000	5,000	—	—	-5,000
Mine Flail Wheeled Vehicle	—	—	—	—	—	—
Stinger System Safeguard	—	3,000	4,000	—	—	-4,000
Tactical RPV Evaluation	—	—	—	—	—	—
Quiet Generators	—	—	—	—	—	—
Helicopter Air To Air Missile	—	—	—	—	—	—
Close In Air Defense	—	—	—	—	—	—
MILAN II & BOFORS BILL Evaluation	—	5,000	—	—	—	—
Ammunition Containerization	—	500	—	—	—	—
AH-64 Apache Upgrade	—	23,000	25,000	—	—	-25,000
UH-60 Blackhawk Upgrade	—	23,000	25,000	—	—	-25,000
OH-58 AHIP Scout Upgrade	—	—	—	—	—	—
Combat Vehicle Support System	—	6,000	—	—	—	—
Chemical Mask Improved Drinking Sys.	—	600	600	—	—	-600
Multipurpose Individual Munition Evaluation	—	23,000	3,000	11,000	+11,000	+8,000
Rifle Launched Anti-tank Round Evaluation	—	3,370	3,300	—	—	-3,300
Combat Diesel Engine	—	5,000	—	—	—	—
Weasel Evaluation	—	1,000	1,000	—	—	-1,000
AARDVARK/LVS Integration	—	3,000	—	—	—	—
Recovery Vehicle ARV-90	—	2,000	—	—	—	—
Ground Launched HELLFIRE	—	3,000	5,000	—	—	-5,000
Total, Conventional Defense Initiatives		94,100	71,900	11,000	+11,000	-60,900
Consultants, Studies & Analyses	—	—	—	—	—	—
General Reduction	—	—	—	—	—	—
Prior Year Fuel Savings	—	—	—	—	—	—
FY 87 Fuel Savings	—	—	—	—	—	—
RDT&E Profit Policy Adjustment	—	—	—	—	—	—
FY 87 Inflation Revisions	—	—	—	—	—	—
Civilian Pay Raise	—	—	—	—	—	—
General Reduction, Special Access	—	—	-20,000	—	—	+20,000
M-60 Prototype Program	—	22,000	38,000	—	—	-38,000
20mm FISAP Ammunition	—	1,700	1,800	—	—	-1,800
Chem Wpns Conv Compliance Monitor Prog.	—	6,000	—	—	—	—
Army Helicopter Modernization	—	—	—	190,000	+190,000	+190,000
Army Electronic Warfare Consolidation	—	—	—	92,877	+92,877	+92,877
General Reduction	—	—	—	—	—	—
Misc. Classified Program	—	—	—	3,000	+3,000	+3,000
Pay/Fers Supplemental	—	—	—	—	—	—
FERS Adjustment	—	—	-7,970	—	—	+7,970
Mass Cube Cargo Handling System	—	—	10,000	—	—	-10,000
Total, Research Development Test & Eval, Army	5,511,172	5,291,000	4,445,362	4,937,166	-574,006	+491,804
Transfer from other accounts	—	—	—	—	—	—
Total funding available	5,511,172	5,291,000	4,445,362	4,937,166	-574,006	+491,804

Research, Development, Test, and Evaluation, Navy

1987 appropriation	$9,334,928,000
1988 budget estimate	10,448,112,000
House allowance	8,634,560,000
Committee recommendation	9,535,619,000

The Committee recommends an appropriation of $9,535,619,000 for the Navy's research, development, test, and evaluation programs, a reduction of $912,493,000 to the budget request. The Committee recommendation is $901,059,000 above the House allowance.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	840,946	754,549	759,915	- 81,031
Advanced technology development	258,472	245,515	219,664	- 38,808
Strategic programs	1,370,114	1,218,674	1,345,444	- 24,670
Tactical programs	6,129,941	4,895,877	5,326,097	- 803,844
Intelligence and communications	1,128,061	850,591	933,416	- 194,645
Defensewide mission support	762,878	660,761	755,174	- 7,704

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
University research initiatives	24,572			- 24,572
Antiair warfare/antisurface warfare technology	66,273	54,273	54,273	- 12,000
Command, control, and communications technology	20,352	20,352	16,000	- 4,352
Mission support technology	32,290	32,290	28,000	- 4,290
Systems support technology	65,601	60,601	56,000	- 9,601
Nuclear propulsion	47,600	39,783	43,000	- 4,600
Advanced technology transition	50,638	50,638	48,000	- 2,638
Fleet ballistic missile system	39,565	39,565	28,565	- 11,000
Tactical space operations	3,470	3,470	2,000	- 1,470
CV ASW module	5,115			- 5,115
Aircraft survivability and vulnerability	15,342	9,850	10,000	- 5,342
IRR Maverick	482			- 482
Advanced air-to-air SAM system	76,131	76,131	65,000	- 11,131
NATO AAW systems	10,199		8,000	- 2,199
Advanced air-to-air missile [AAAM]	34,619	17,309	17,000	- 17,619
Battle group AAW coordination	11,476	6,476	8,000	- 3,476
Surface ship torpedo defense	27,339	27,339	25,000	- 2,339
Shipboard system component devopment	13,966	9,935	10,000	- 3,966
Nonacoustic ASW	20,397	10,018	10,018	- 10,379

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Retract Juniper	30,672	27,672	27,672	-3,000
Submarine tactical warfare systems	9,035	9,035	6,000	-3,035
Shipboard laser weapon	1,432			-1,432
Joint advanced systems	231,550	226,550	226,550	-5,000
Conventional munitions	34,014	34,014	21,400	-12,614
Tactical nuclear weapons development	11,499	2,280	5,499	-6,000
Merchant Ship Naval Augmentation Program	3,006			-3,006
Marine Corps combat services support	13,373	9,850	9,850	-3,523
Link Plumeria	14,080		7,000	-7,080
Chalk Weed	8,819	6,324	6,324	-2,495
Fixed distribution systems	75,997	75,997	70,997	-5,000
Standard avionics development	16,836	7,388	8,000	-8,836
IFF system development	36,201	36,201	26,000	-10,201
Support equipment	72,942	54,429	65,000	-7,942
P-3 Modernization Program	126,902	100,000	100,000	-26,902
Carrier inner zone ASW helicopter	581			-581
Aircraft propulsion	289			-289
Electronic warfare simulator development	41,103	41,103	35,000	-6,103
Aviation life support systems (engineering)	22,308	22,308	20,000	-2,308
Aircraft Engine Component Improvement Program	35,832	35,832	32,000	-3,832
Sea Lance	114,341	90,000	108,000	-6,341
Air-to-air missile systems engineering	22,197	20,000	20,000	-2,197
NATO Sea Sparrow	4,707	1,000	3,000	-1,707
Standard missile improvements	40,416	25,000	35,000	-5,416
Tomahawk/theatre mission planning	47,436	63,536	45,000	-2,436
Theatre mission planning center	28,342	28,342		-28,342
5-inch rolling airframe missile	14,172	14,172	13,000	-1,172
New threat upgrade	29,945	20,000	20,000	-9,945
Air control	17,314	17,314	14,000	-3,314
EMSP	69,467	65,000	55,000	-14,467
Radar surveillance equipment	8,419	8,419	7,000	-1,419
Combat information center conversion	27,824	18,000	10,000	-17,824
SSN-21 developments	213,242	213,242	210,000	-3,242
Ship subsystem development/land based test site	70,414	50,000	50,000	-20,414
Link Birch	5,296	2,486	3,000	-2,296
Gun ammunition improvement	10,266	10,266	9,266	-1,000
Standard embedded computer resources	29,397	16,110	1,110	-28,287
Surface electro-optical system	14,311		12,000	-2,311
Chalk Banyan	28,613	13,000	13,000	-15,613
Air warfare training devices	1,927		500	-1,427
Battle group passive horizon extension system trainer	17,230			-17,230
Electro-magnetic spectrum management	6,593	2,000	2,000	-4,593
Management/technical support	12,329	7,000	7,000	-5,329
A-6 squadrons	2,773		1,000	-1,773
F/A-18 squadrons	17,316	10,000	12,000	-5,316
Early warning aircraft squadrons	33,369	28,000	21,369	-12,000

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Fleet telcommunication (tactical)	8,219	6,000	6,000	-2,219
Special projects	13,978	10,000	10,000	-3,978
F-14 upgrade	184,770	144,000	184,000	-770
Marine Corps intelligence/electronics warfare systems	15,299	9,999	9,999	-5,300
Marine Corps command, control, and communications systems	25,164	16,379	16,379	-8,785
Transfer support system	384,206	275,000	300,000	-84,206
Navigation systems	2,645			-2,645
NAVSTAR GPS	79,891	50,000	53,500	-26,391
Tactical command systems	42,337	15,000	25,000	-17,337
Target systems development	95,644	70,000	75,000	-20,644
Personnel, training, simulation/human factors	3,107	1,000	1,000	-2,107
Center for naval analyses	19,880	19,880	17,000	-2,880
Fleet tactical development/evaluation	16,885	13,000	12,000	-4,885
Marine Corps development center	13,145	5,000	8,000	-5,145
Test/evaluation support	325,343	310,000	310,000	-15,343

COMMITTEE RECOMMENDED ADJUSTMENTS

The Navy's fiscal year 1988 budget request included several programs which: (*a*) proposed new projects of not high enough priority to justify a new initiative in today's constrained fiscal circumstances, or (*b*) lacked convincing military rationale and were poorly justified in the accompanying documentation, or (*c*) represent basic generic RDT&E functions not associated with specific program requirements, or (*d*) duplicated other programs, or (*e*) contained funds later identified by the Navy or the General Accounting Office [GAO] as unnecessary to meet essential program requirements. The Navy also identified several programs which required a restructuring of, or addition to, the requested funding profiles due to technical problems, or changed development and acquisition strategies, or recognition of a higher priority for the programs. Accordingly, the Committee recommends the following adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Defense research sciences	333,602	312,337	326,440	-7,162
Navy logistic productivity	981	981		-981
Ship development	10,379		4,000	-6,379
Air defense initiative	47,200		35,000	-12,200
C/MH-53	20,124	4,803	14,700	-5,424
Naval special warfare	19,943	19,943	17,943	-2,000
Acoustic search sensors	47,859	36,519	40,976	-6,883
Submarine support equipment program	20,633	15,000	15,000	-5,633
Submarine combat system	342,532	290,000	322,732	-19,800
Mark 48 ADCAP torpedo (engineering)	32,238	22,238	22,238	-10,000

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Marine Corp combat services support	4,996	4,996	3,497	−1,499
Tacit Rainbow	14,689	14,689	10,689	−4,000
Navy command and control top level warfare requirement	4,720	3,000	3,000	−1,720
Industrial preparedness	43,393	43,393	36,393	−7,000
Advanced light-weight torpedo (engineering)	85,172	100,000	140,600	+55,428
Advanced nuclear reactor components system development	91,360	91,360	70,000	−21,360
Vertical launch ASROC	18,475	18,475	44,975	+26,500
AEGIS combat system engineering	90,420	80,000	104,420	+14,000
Helicopter development	11,226		13,500	+2,274

The Committee recommends that none of the reduction in defense research sciences be applied against the Institute for Naval Oceanography.

The Committee wishes to note that the Navy should improve its fiscal management so as to include, in its original budget request, sufficient funding for its high priority programs, instead of seeking additions late in the congressional budget process. In the future, the Committee expects that requests for significant increases to original program budget submissions will be forthcoming only through the formal budget amendment process. With respect to the Aegis Combat System Engineering Program, the Committee is particularly concerned with the lateness of the request for the additional funding. This lack of timely notification is particularly disturbing, given the fact the Navy clearly knew in early March about serious funding problems in this program.

JOINT/MULTISERVICE PROGRAMS

As addressed in the RDT&E introduction, the Committee recommends adjustments to the Navy's remotely piloted vehicles [RPV], standoff air-to-ground weapons, and electronic warfare [EW] programs, including several classified programs, as follows:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
RPV programs:				
Intelligence systems	31,114	10,000		−31,114
USMC ground combat/supporting arms	4,648	4,648		−4,648
Electronic warfare programs:				
Electronic warfare technology	14,454			−14,454
Electronic warfare advanced development	62,350			−62,350
Airborne electronic warfare engineering	32,010			−32,010
Advanced self-protection system	16,427			−16,427

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Electronic warfare programs—Continued				
Shipboard electronic warfare improvements	40,193			-40,193
Navy cover and deception program	6,762			-6,762
Electronic warfare readiness support	6,458			-6,458
Counter C^3 development	9,797			-9,797
Electronic warfare counter response	54,613			-54,613
Navy consolidated electronic warfare programs		186,273	211,109	+211,109
Standoff Weapons Program: Advanced air-launched air-to-surface missile system	37,446	37,446		-37,446

The Committee provided alternative levels of funding for Navy RPV and standoff weapons activities as part of the joint programs it is recommending in the "Defense Agencies RDT&E" account.

ADDITIONAL MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

Naval airship.—The Committee recommends an appropriation of $10,000,000, a reduction of $35,189,000 to the Navy's budget request. The House allowance fully funds the request. The Committee recognizes the potential that airships may have to contribute to the fleet air defense mission. However, both the Defense Department inspector general and the GAO have raised serious questions about the components and objectives of the Naval Airship Program as currently proposed. The Committee also is aware that the Air Force has been assessing how airships might augment the air defenses of the continental United States. The Committee believes that the high cost of the Naval Airship Program is not justified in view of the limited objectives to be gained from the effort as presently structured.

The Committee believes that the program, if it has sufficient priority within the Defense Department, should be restructured based on firm operational and technical performance requirements to address the needs of both the Navy and the Air Force, and that both services should share the development costs of such an airship program. The Committee further believes that the relationship of the airship with the several other, expensive, ongoing programs to improve air defense surveillance capabilities, as well as its role in the expanded air defense initiative, have not been adequately examined and articulated by the Defense Department.

Therefore, the Committee recommends funding to permit a sufficient level of effort to continue while the Navy, Air Force, and the Office of the Secretary of Defense address these issues. The Committee expects that a comprehensive report responding to each of its concerns will be submitted by the Secretary of Defense no later than March 15, 1988, to permit full review of these issues during consideration of the fiscal 1989 budget revision.

Advanced Tactical Aircraft [ATA] and A-6F aircraft programs.—The Committee recommends full funding as requested in the budget for the Advanced Tactical Aircraft Program and no funding for the A-6F Aircraft Program, a reduction of $124,023,000 from the budget request. The Committee strongly supports modernization of the Navy's medium attack aircraft capabilities and has been required by fiscal realities to choose between these two programs. In recognition of the high cost of the A-6F, and of the fact that it will be unacceptably vulnerable to Soviet air defenses shortly after it becomes operational, according to the Navy's own analyses, the Committee recommends termination of the program in favor of fully funding the ATA. The Navy has stated clearly that its top priority aircraft program is the ATA. Considering that the Navy's own analyses demonstrate that the ATA has much greater survivability and other combat capabilities than the A-6F, the Committee believes that the Navy's constrained aircraft development and procurement dollars should be devoted toward ensuring the earliest possible initial operational capability [IOC] for the ATA.

The Committee's recommendation is consistent with the outcome of the conference on the Fiscal Year 1988 Defense Authorization Act. That conference report also recommends termination of the A-6F program, in favor of vigorous development of the Advanced Tactical Aircraft.

The House allowance provides $111,023,000, a reduction of $13,000,000 to the budget request, for the A-6F program, and recommends a significant reduction in the ATA program.

Integrated aircraft avionics.—The Committee recommends an appropriation of $9,000,000 for this program, an increase of $6,625,000 to the budget request. The Committee has recommended this additional funding to enhance efforts to develop integrated communication, navigation, identification avionics [ICNIA] and integrated electronic warfare system [INEWS] avionics for new Navy and Air Force tactical aircraft. Such avionics have the potential to be more capable, reliable, and adaptable to meet the increased requirements of modern aerial combat. The House allowance provided $16,000,000, an increase of $13,625,000 above the budget request for this program.

Catapults.—The Committee recommends an appropriation of $5,000,000 for this program, a reduction of $2,357,000 from the budget request as reflected in authorization action. Within the funds provided, the Committee recommends that the Navy use $3,500,000 only for the development and operational testing of full-scale components of an electromagnetic catapult. The Committee expects that these funds are sufficient to finance both preliminary design and prototyping of at least one full-scale catapult segment. The Committee understands that electromagnetic catapults have the potential to launch high performance aircraft from ships, while saving weight and space compared to current catapults. The Navy should evaluate this technology for shipborne integration without undue delay, and the Committee requests submission, with the fiscal year 1989 budget revision, of a complete development and testing schedule for this program which permits the Navy the opportunity to make a timely decision whether to incorporate this technology on ships during the early to mid-1990's.

The House allowance provided no funds for the entire catapults program.

Surface antisubmarine warfare [ASW].—The Committee recommends an appropriation of $32,752,000, an increase of $11,679,000 to the budget request and $2,830,000 above the House allowance of $29,922,000, for the advanced development component of this program to improve the AN/SQQ–89 ASW system for many of its surface combatants. In addition, the Committee recommends no appropriation, a reduction of $27,279,000 from the budget request, for the engineering development component of the program. The Committee's recommendation reflects the Navy's request to transfer funds into advanced development from engineering development to support a restructured Surface ASW Program. In making its recommendation, the Committee further recommends that the Navy combine the funds provided with $15,600,000 appropriated to the program for fiscal year 1987 for engineering development, so as to fund fully the restructured advanced development effort. The Committee has included a provision in its bill which would permit such a transfer. The House allowance proposes to rescind these fiscal 1987 funds.

Attack submarine development; SSN–688 upgrade; submarine laser communications programs.—The Committee recommends an appropriation of $100,000,000, an increase of $87,101,000 to the budget request for the Attack Submarine Development Program. The Committee also recommends an appropriation of $10,000,000, not contained in the original budget request, for an SSN–688 Upgrade Program, and an appropriation of $20,000,000 not in the budget request for the Submarine Laser Communication Program. All three recommendations are consistent with authorization action. The Committee's recommendations are based on the fact that the recent improvements to Soviet submarine capabilities require accelerated United States efforts in advanced submarine technologies to improve the capabilities of our present attack submarines and the survivability of our ballistic missile submarines.

The Committee expects that additional funds for the Attack Submarine Development Program will be used to concentrate on enhancing basic attack submarine technology through the conversion of an existing submarine nearing retirement age into an operational testbed, on improving submarine sensors and electronic systems, and on weapons and advanced countermeasures. Of the additional funds provided, $10,520,000 is available only to expand the joint program between the Office of Naval Research and the Defense Advanced Research Projects Agency investigating superconductivity as it relates to developing more efficient, capable, smaller submarine propulsion systems; and $12,000,000 is available only for investigating the operational relationship of remotely piloted vehicles with attack submarines, if this effort is coordinated with the Joint RPV Program in the Office of the Secretary of Defense.

The additional funds for the Submarine Laser Communications Program are available only for development of a satellite-borne, one-way-laser communications capability for both strategic and tactical applications.

The House allowance provides $112,899,000 for attack submarine development, $15,000,000 for the SSN-688 Upgrade Program, and $50,000,000 for the Laser Communication Program.

Navy antisubmarine warfare [ASW]-oceanographic activities.—The Committee took several actions regarding oceanographic-related programs which have a direct impact on improving the Navy's ASW capabilities:

(a) *Defense Meteorological Satellite Program.*—The Committee recommends an appropriation of $59,107,000, an increase of $55,000,000 to the budget request, for the Navy-remote ocean sensing system [N-ROSS]. N-ROSS is designed to provide the Navy with comprehensive, real-time oceanographic data which provides significant tactical and strategic advantage to our attack and ballistic missile submarines, ASW aircraft, and ASW surface combatants. The Navy has decided to revitalize the program to achieve an early 1992 launch, and the recommended appropriation, when combined with available fiscal year 1987 funding, supports this objective. Congress has provided strong support for N-ROSS in the past, and the Committee expects that the Office of the Secretary of Defense will recognize this support and assist the Navy fully to implement without delay this high-priority program.

The House allowance provided $4,107,000 for the overall Navy DMSP program.

(b) *Warfare support systems.*—The Committee recommends an appropriation of $34,316,000, a reduction of $12,201,000 from the budget request. Of the funds provided, $4,200,000 is available only for the tactical environmental support system [TESS] project in fiscal year 1988. TESS is a shipboard system being developed to provide at-sea commanders with the capability to receive and assess current oceanographic information so that such data can be used to employ weapons and sensors more effectively. The House allowance provided $30,146,000 for the Warfare Support Systems Program.

(c) *Naval Oceanography Program.*—The Committee recommends an appropriation of $3,000,000, an authorized increase above the budget request for continuation of this important program. The Naval Oceanography Program, a 5-year research and development program initiated in fiscal year 1986, is designed to analyze and model the three dimensional underwater acoustic field on a local and regional basis. Significant progress has been accomplished in this area and Naval Oceanography Program models and analysis products are commencing to benefit the fleet. The House allowance provided no funds for this program.

(d) *Ocean and atmospheric support technology.*—The Committee recommends an appropriation of $25,727,000, the same as the House allowance and the budget request, for this program. The Committee recommends that $1,000,000 of the funds provided is available only for the upgrade of the facilities at the Woods Hole Oceanographic Institution for oceanographic and meteorological instrumentation.

Mine warfare.—The Committee has recommended two authorized increases above the budget request to augment the Navy's programs to improve its mine warfare capabilities: (*a*) the addition of $1,900,000 to develop an advanced deep-water antisubmarine warfare mine; and (*b*) an appropriation of $24,000,000, an increase of $6,618,000 to the budget request, for the Mine Development Program to improve the capabilities of our current CAPTOR mines. The House allowance does not include either increase.

Marine Corps ground combat/supporting arms programs.—Reflecting the observations made in the introduction to the RDT&E section of this report, the Committee has made recommendations regarding two separate programs directed toward developing improved ground combat/supporting arms systems for the Marine Corps:

(a) The Committee recommends an appropriation of $1,636,000, a decrease of $6,290,000 from the budget request; this reduction eliminates $2,300,000 for low-priority telerobotics vehicle research and transfers $3,990,000 to the Joint RPV Program. The House allowance provided $5,930,000 of the $7,926,000 budget request for this program.

(b) The Committee recommends an appropriation of $29,681,000, a reduction of $26,804,000 from the budget request; this reduction terminates the Dragon III medium antiarmor weapon program and the program to improve the shoulder-fired multipurpose assault weapon [SMAW], as duplicative, unaffordable, and unnecessary. The Committee fully funds the Dragon II product improvement development program. The House allowance provides all but $2,143,000 of the $56,485,000 budget request for this entire program element, which also includes several other development projects.

Miscellaneous adjustments.—The Committee recommended several adjustments in view of overall budget constraints or to improve program management:

(a) *Initial trainer acquisition.*—The Committee recommends an appropriation of $70,000,000, a reduction of $42,030,000 to the budget request, in response to the constrained fiscal environment for the defense budget. The House allowance provides no funds for this program.

(b) *Studies and analysis-Navy.*—The Committee recommends an appropriation of $3,410,000, a reduction of $2,000,000 from the budget request, to eliminate poorly justified studies. The Committee expects that the reduction will not be allocated against the Naval Medical Command and National Academy of Sciences study efforts supported in this program. The House allowance provided $3,917,000 for this program.

(c) *International RDT&E.*—The Committee recommends an appropriation of $1,314,000, a reduction of $2,700,000 from the budget request, to eliminate duplication with other international RDT&E activities in the Defense Department, especially the NATO and non-NATO cooperative R&D programs. The Committee expects that the reduction will not be allocated against any funding for the NATO Antisubmarine Warfare Center, in La Spezia, Italy. The House allowance fully funds the $4,014,000 budget request for this program.

(d) *Acoustic video processor.*—The Committee recommends an appropriation of $8,600,000, the requested amount, for this program to improve surface ASW training and war-fighting capabilities. The Committee has established funding for this program in a separate program element to improve its oversight of this effort. The House allowance provides the same amount in the same manner.

(e) *R&D civilians end-strength cap.*—The Committee recommends a reduction of $6,400,000 to maintain the end-strength of civilians engaged in Navy RDT&E activities at the fiscal 1987 level. The Committee denies the requested increase of 160 civilians to the end-strength levels due to severe fiscal limits on defense spending.

Navy energy programs.—The Committee recommends the requested amounts for the Navy Energy Programs and recommends that $500,000 of the funds provided are available only for the development of remote sensing optical instrumentation for diagnostics and safety of naval steam boilers.

Skipper.—The Committee recommends an appropriation of $9,200,000, a net increase of $7,100,000 to the budget request, to establish a separate program element for the Skipper weapon system. The Committee expects that the funds provided shall be used only for Skipper enhancements as mandated last year by the Committee in its report on the Fiscal Year 1987 Defense Appropriations Act, and as endorsed by the joint committee of conference on the fiscal 1987 continuing appropriations resolution. The Committee does not believe the Navy has an acceptable explanation of its past failure to follow the Congress's explicit direction with regard to developing these Skipper enhancements. The Committee expects no further delays in executing this program as directed by Congress.

Classified programs and Marine Corps intelligence/electronic warfare system.—The Committee recommends an appropriation of $513,000,000, a reduction of $50,145,000 to the budget request, for various Navy classified programs; and an appropriation of $11,306,000, a reduction of $2,000,000 to the budget request, for the Marine Corps intelligence/electronic warfare system. Further information about these reductions is contained in the classified annex to the Committee's report.

Electromagnetic pulse radiation environment simulator for ships [EMPRESS].—The Committee is aware of the issues regarding the operation of the EMPRESS system in the Chesapeake Bay. It has included a provision in its bill which would prevent the operation of this system in the bay area unless or until the Secretary of Defense certifies to the Congress that conduct of the EMPRESS program is essential to the national security of the United States and to achieving requisite military capability for U.S. naval vessels, and that the economic, environmental, and social costs to the United States of conducting the EMPRESS program in the Chesapeake Bay area are far less than the economic, environmental, and social costs caused by conducting the EMPRESS program elsewhere.

Advanced submarine batteries.—Within fiscal year 1988 appropriations available for advanced submarine technology, the Committee urges the Navy to consider allocating funds to fully develop, test, and evaluate alternative battery chemistries, including the nickel-cadmium battery project. Although this project received limited funding—$1,500,000 in fiscal year 1986 and prior years—no funds are programmed in future years.

Shipboard combat system displays.—The Committee is aware that the Navy currently is developing a standard video display generator for surface ships employing the AN/SQQ–89 antisubmarine warfare combat system. The acquisition strategy for the acoustic video processor subcomponent includes a leader-follower contractor approach, which is intended to assure vigorous competition through the procurement phase of the program.

Given this approach for shipboard systems, the Navy is encouraged to consider establishing—if possible, cost effective and militarily effective—a standard video display system for surface ship and submarine use. This application may yield improved operational support capabilities and may reduce acquisition and lifecycle costs.

As a step toward such standardization, the Navy should consider whether the acoustic video processor standard display under development for AN/SQQ–89-equipped surface ships should be incorporated into the development of the CCS Mark II submarine combat system for SSN–688 class submarines.

EA–6B advanced capabilities reprogramming.—The Committee also approves the Navy's requested reprogramming of $10,600,000 within fiscal 1987 RDT&E funds to develop and test the advanced capabilities EA–6B receiver processor group as part of the program to update the capabilities of the EA–6B carrier-based aircraft.

F/A–18 upgrade program—The Committee recognizes, in conjunction with its recommended termination of the A–6F program, that a need may exist eventually to transfer Marine Corps A–6E aircraft to the Navy, and that Congress should consider how Marine aviation ground attack requirements should be addressed after such transfers.

Termination of the A–6F suggests that the development of a two-seat, all-weather, ground attack variant of the Marine F/A–18 aircraft may be desirable. Such a development also could represent the prospect of a simplified, lower-cost logistics requirement that could result from the reduction of the number of aircraft types in the Marine inventory.

The Committee notes that the Fiscal 1988 Defense Authorization Act strongly endorsed such a development program by recommending that

$40,000,000 be authorized in fiscal 1988 to initiate this F/A-18 upgrade effort. However, due to the lack of a formal budget request for this program, and the extremely severe constraints on defense spending imposed this year, the Committee was unable to fund this authorization. The Committee does believe this program ought to be considered seriously during review of the fiscal 1989 budget revision.

To support that review, the Committee recommends that the Marine Corps promptly determine whether a validated military requirement exists for such upgrades, and develop a reasonable, affordable program to implement them. The Committee expects to receive the results of this Marine Corps analysis no later than March 31, 1988, along with a detailed breakdown (in current and constant fiscal 1988 dollars) of the annual and total RDT&E and procurement funding required to complete this program, a detailed description of how these funds would be used, and an identification of which programs in the remaining 4 years of the Marine's fiscal 1988-92 defense program would be reduced or eliminated to finance this effort.

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Research Development Test & Eval Navy						
Technology Base						
University Research Initiatives	24,572	---	---	---	-24,572	---
In-House Independent Laboratory Research	22,627	22,627	22,627	22,627	---	---
Defense Research Sciences	333,602	323,602	312,337	326,440	-7,162	+14,103
Anti-Air Warfare/Anti-Surface Warfare Technology	66,273	54,273	54,273	54,273	-12,000	---
Electronic Warfare Technology	14,454	---	---	---	-14,454	---
Surface Ship Technology	13,624	13,624	12,953	13,624	---	+671
Aircraft Technology	21,318	21,318	20,700	21,318	---	+618
Marine Corps Landing Force Technology	15,915	15,915	15,915	15,915	---	---
Command, Control, and Communications Technology	20,352	16,000	20,352	16,000	-4,352	-4,352
Mission Support Technology	32,290	28,000	32,290	28,000	-4,290	-4,290
Systems Support Technology	65,601	56,000	60,601	56,000	-9,601	-4,601
ASW Technology	92,569	82,000	92,569	92,569	---	---
Mine and Special Warfare Technology	14,909	14,909	14,909	14,909	---	---
Submarine Technology	14,123	14,123	14,123	14,123	---	---
Nuclear Propulsion	47,600	43,000	39,783	43,000	-4,600	+3,217
Ocean and Atmospheric Support Technology	25,727	23,000	25,727	25,727	---	---
Independent Exploratory Development	15,390	15,390	15,390	15,390	---	---
Total, Technology Base	840,946	743,781	754,549	759,915	-81,031	+5,366
Advance Technology Development						
Avionics	3,755	3,755	3,755	3,755	---	---
Aircraft Propulsion	5,886	5,886	5,886	5,886	---	---
Advanced Aircraft Subsystems	11,807	11,807	11,807	11,807	---	---
Naval Airship	45,189	40,000	45,189	10,000	-35,189	-35,189
Electromagnetic Radiation Source Elimination Tech	5,865	5,865	5,865	5,865	---	---
Ship Propulsion System	11,022	11,022	7,022	11,022	---	+4,000
Electric Drive	14,480	25,000	14,480	14,480	---	---
Human Factors Engineering	4,794	4,794	2,588	4,794	---	+2,206
Medical Development	17,445	17,445	17,445	17,445	---	---
Manpower and Personnel Systems	4,019	4,019	3,105	4,019	---	+914
Generic Logistics R&D Technology Demonstrations	29,400	29,400	27,400	29,400	---	+2,000
Education and Training	7,699	7,699	5,175	7,699	---	+2,524
Marine Corps Advanced Manpower/Training Systems	3,214	3,214	1,901	3,214	---	+1,313
Simulation and Training Devices	8,457	8,457	8,457	8,457	---	---
Navy Logistic Productivity	981	981	981	---	-981	-981
ARIADNE	11,062	11,062	11,062	11,062	---	---
Advanced Anti-Submarine Warfare Technology	22,759	20,000	22,759	22,759	---	---
Advanced Technology Transition	50,638	48,000	50,638	48,000	-2,638	-2,638
Total, Advance Technology Development	258,472	258,406	245,515	219,664	-38,808	-25,851
Strategic Programs						
Air Defense Initiative	47,200	30,000	---	35,000	-12,200	+35,000
Tactical Space Operations	3,470	2,000	3,470	2,000	-1,470	-1,470
SSBN Survivability	7,089	7,089	7,089	7,089	---	---
Satellite Laser Comm	---	---	---	---	---	---
TRIDENT II	1,098,463	1,073,463	1,000,000	1,098,463	---	+98,463
Strategic Technical Support	3,506	3,506	3,506	3,506	---	---
Fleet Ballistic Missile System	39,565	28,565	39,565	28,565	-11,000	-11,000
SSBN Security Technology Program	39,680	39,680	39,680	39,680	---	---
TRIDENT	31,595	26,595	31,595	31,595	---	---
Extremely Low Frequency (ELF) Communications	3,233	3,233	3,233	3,233	---	---
Navy Strategic Communications	86,445	86,445	80,668	86,445	---	+5,777
Naval Space Surveillance	693	693	693	693	---	---
Minimum Essential Emergency Communications Network	1,048	1,048	1,048	1,048	---	---
World-Wide Military Command and Control Systems	8,127	8,127	8,127	8,127	---	---
Total, Strategic Programs	1,370,114	1,310,444	1,218,674	1,345,444	-24,670	+126,770

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Tactical Programs						
Integrated Aircraft Avionics	2,375	9,000	16,000	9,000	+6,625	-7,000
Electronic Warfare Advanced Development	62,350	---	---	---	-62,350	---
Air/Ocean Tactical Applications	13,971	10,000	9,000	13,971	---	+4,971
T-45 Training System	96,015	96,015	91,579	96,015	---	+4,436
Aviation Life Support Systems (Adv)	3,621	3,621	3,621	3,621	---	---
CV ASW Module	5,115	---	---	---	-5,115	---
Air ASW	8,523	8,523	8,523	8,523	---	---
V-22A	3,988	10,000	3,988	3,988	---	---
A-6F	124,023	---	111,023	---	-124,023	-111,023
Airborne Mine Countermeasurers	8,975	8,975	8,975	8,975	---	---
Tactical Airborne Reconnaissance	8,570	8,570	8,570	8,570	---	---
Aircraft Survivability and Vulnerability	15,342	10,000	9,850	10,000	-5,342	+150
Advanced A/L Air-to-Surface Missile System	37,446	47,446	37,446	---	-37,446	-37,446
IIR Maverick	482	---	---	---	-482	---
Advanced Air-to-Air/Surface-to-Air Missile	76,131	65,000	76,131	65,000	-11,131	-11,131
NATO AAW Systems	10,199	8,000	---	8,000	-2,199	+8,000
Low Cost Anti-Radiation Seeker	14,642	14,642	24,642	14,642	---	-10,000
Advanced Air-to-Air Missile (AAAM)	34,619	30,000	17,309	17,000	-17,619	-309
Battle Group AAW Coordination	11,476	10,000	6,476	8,000	-3,476	+1,524
Surface Mine Countermeasures	15,339	19,339	15,339	15,339	---	---
Advanced Submarine ASW Development	8,298	8,298	8,298	8,298	---	---
Surface Ship Torpedo Defense	27,339	25,000	27,339	25,000	-2,339	-2,339
Catapults	7,357	5,000	---	5,000	-2,357	+5,000
Shipboard System Component Development	13,966	10,000	9,935	10,000	-3,966	+65
Ship Combat Survivability	29,426	29,426	20,000	29,426	---	+9,426
Submarine Arctic Warfare Support Equipment Program	2,008	2,008	2,008	2,008	---	---
PILOT FISH	74,459	74,459	74,459	74,459	---	---
RETRACT LARCH	92,886	92,886	---	92,886	---	+92,886
Non-Acoustic Anti-Submarine Warfare (ASW)	20,397	18,000	10,018	10,018	-10,379	---
Advanced ASW Target	13,670	13,670	9,800	13,670	---	+3,870
RETRACT JUNIPER	30,672	30,672	27,672	27,672	-3,000	---
Radiological Control	2,925	2,925	2,925	2,925	---	---
LINK DOGWOOD	---	---	---	---	---	---
Surface ASW	21,073	48,352	29,922	32,752	+11,679	+2,830
Submarine Hull Array Development (Adv)	---	---	---	---	---	---
Submarine Tactical Warfare Systems	9,035	6,000	9,035	6,000	-3,035	-3,035
Ship Development	10,379	18,000	---	4,000	-6,379	+4,000
Surface Ship Navigation System	---	---	---	---	---	---
Attack Submarine Development	12,899	100,000	112,899	100,000	+87,101	-12,899
Advanced Nuclear Reactor Components System Development	91,360	85,000	91,360	70,000	-21,360	-21,360
Physical Security	8,699	8,699	8,699	8,699	---	---
CHALK EAGLE	89,451	89,451	89,451	89,451	---	---
Shipboard Laser Weapon	1,432	---	---	---	-1,432	---
A4W/A1G Nuclear Propulsion Plant	---	---	---	---	---	---
Combat System Integration	10,109	10,109	10,109	10,109	---	---
Joint Advanced Systems	231,550	226,550	226,550	226,550	-5,000	---
Mine Development	17,382	24,000	17,382	24,000	+6,618	+6,618
CHALK PINE	189,495	189,495	---	189,495	---	+189,495
Conventional Munitions	34,014	21,400	34,014	21,400	-12,614	-12,614
Marine Corps Assault Vehicles	12,206	12,206	12,206	12,206	---	---
Tactical Nuclear Weapons Development	11,499	5,499	2,280	5,499	-6,000	+3,219
Marine Corps Ground Combat/Support System	7,926	6,000	5,930	1,636	-6,290	-4,294
Joint Service Explosive Ordnance Development	11,643	11,643	11,643	11,643	---	---
Ocean Engineering Systems Development	1,503	1,503	1,503	1,503	---	---
ASW Oceanography	,430	7,430	7,430	7,430	---	---
ASW Signal Processing	18,431	16,000	18,431	18,431	---	---
Advanced Marine Biological System	5,711	5,711	5,711	5,711	---	---
Fleet Tactical Development and Evaluation Program	4,800	4,800	4,800	4,800	---	---
Ocean Engineering Technology Developments	13,661	13,661	13,661	13,661	---	---
Command and Control Sys	---	---	---	---	---	---
Container Off-Loading and Transfer System (COTS)	1,528	1,528	1,528	1,528	---	---
Naval Special Warfare	19,943	19,943	19,943	17,943	-2,000	-2,000
Navy Energy Program	7,721	7,721	7,721	7,721	---	---
Facilities Improvement	9,957	8,000	9,957	9,957	---	---
Merchant Ship Naval Augmentation Program	3,006	1,006	---	---	-3,006	---
Marine Corps Combat Services Support	13,373	9,850	9,850	9,850	-3,523	---
Defense Suppression	4,546	4,546	4,546	4,546	---	---
LINK HAZEL	11,500	11,500	---	11,500	---	+11,500
LINK LAUREL	53,843	53,843	53,843	53,843	---	---
LINK SPRUCE	283,855	283,855	285,000	283,855	---	-1,145

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
RETRACT MAPLE	65,028	65,028	---	65,028	---	+65,028
LINK PLUMERIA	14,080	7,000	---	7,000	-7,080	+7,000
CHALK WEED	8,819	6,324	6,324	6,324	-2,495	---
RETRACT ELM	39,041	39,041	29,000	39,041	---	+10,041
CHALK POINSETTIA	15,000	15,000	15,000	15,000	---	---
Warfare Systems Architecture and Engineering	---	---	---	---	---	---
LINK EVERGREEN	74,228	74,228	---	74,228	---	+74,228
Fixed Distribution Systems	75,997	70,997	75,997	70,997	-5,000	-5,000
Anti-Submarine Warfare Environmental Acoustic Support	13,495	13,495	13,495	13,495	---	---
Special Processes	40,423	40,423	29,648	40,423	---	+10,775
Standard Avionics Development	16,836	8,000	7,388	8,000	-8,836	+612
IFF System Development	36,201	26,000	36,201	26,000	-10,201	-10,201
LAMPS	16,920	16,920	16,920	16,920	---	---
Helicopter Development	11,226	17,226	---	13,500	+2,274	+13,500
AV-8B Aircraft (Engineering)	13,052	13,052	37,352	13,052	---	-24,300
Support Equipment	72,942	65,000	54,429	65,000	-7,942	+10,571
S-3 Weapon System Improvement	---	---	---	---	---	---
Airborne ASW Developments	---	---	---	---	---	---
P-3 Modernization Program	126,902	120,000	100,000	100,000	-26,902	---
Airborne Electronic Warfare - Eng	32,010	---	---	---	-32,010	---
Advanced Self-Protection System	16,427	---	---	---	-16,427	---
Carrier Inner Zone ASW Helicopter	581	---	---	---	-581	---
Aircraft Propulsion	289	---	---	---	-289	---
Electronic Warfare Simulator Development	41,103	35,000	41,103	35,000	-6,103	-6,103
C/MH-53E	20,124	15,124	4,803	14,700	-5,424	+9,897
Acoustic Search Sensors	47,859	47,859	36,519	40,976	-6,883	+4,457
V-22	465,662	470,662	465,662	465,662	---	---
Aviation Life Support Systems (Eng)	22,308	20,000	22,308	20,000	-2,308	-2,308
Aircraft Engine Component Improvement Program	35,832	32,000	35,832	32,000	-3,832	-3,832
MK-92 Fire Control System Upgrade	3,516	3,516	3,516	3,516	---	---
AEGIS Area Air Defense	7,384	7,384	7,384	7,384	---	---
AEGIS Combat System Engineering	90,420	104,420	80,000	104,420	+14,000	+24,420
LINK ASH	---	---	---	---	---	---
SEA LANCE	114,341	108,000	90,000	108,000	-6,341	+18,000
Advanced Medium Range Air-to-Air Missile	27,191	27,191	10,000	27,191	---	+17,191
Vertical Launching System	---	---	---	---	---	---
Air-to-Air Missile Systems Engineering	22,197	20,000	20,000	20,000	-2,197	---
Vertical Launch ASROC	18,475	44,975	18,475	44,975	+26,500	+26,500
Close-In Weapon System (PHALANX)	7,648	7,648	3,000	7,648	---	+4,648
NATO SEA SPARROW	4,707	3,707	1,000	3,000	-1,707	+2,000
Standard Missile Improvements	40,416	40,416	25,000	35,000	-5,416	+10,000
TOMAHAWK/Theater Mission Planning	47,436	65,000	63,536	45,000	-2,436	-18,536
5'Rolling Air Frame Missile	14,172	13,000	14,172	13,000	-1,172	-1,172
SSN-688 Class Vertical Launch System	21,395	21,395	15,000	21,395	---	+6,395
New Threat Upgrade	29,945	20,000	20,000	20,000	-9,945	---
Submarine Communications	3,451	3,451	3,451	3,451	---	---
Submarine Sonar Development	34,518	34,518	34,518	34,518	---	---
Air Control	17,314	14,000	17,314	14,000	-3,314	-3,314
Chemical Warfare Countermeasures	5,839	5,839	5,839	5,839	---	---
EMSP	69,467	66,000	65,000	55,000	-14,467	-10,000
Radar Surveillance Equipment	8,419	7,000	8,419	7,000	-1,419	-1,419
Intelligence Systems	31,114	10,000	10,000	---	-31,114	-10,000
Submarine Support Equipment Program	20,633	15,000	15,000	15,000	-5,633	---
Ship Survivability	7,892	7,892	7,892	7,892	---	---
Combat Information Center Conversion	27,824	10,000	18,000	10,000	-17,824	-8,000
Submarine Combat System	342,532	326,532	290,000	322,732	-19,800	+32,732
SSN-21 Developments	213,242	210,000	213,242	210,000	-3,242	-3,242
Submarine Tactical Warfare System	43,300	43,300	35,000	43,300	---	+8,300
Physical Security (Engineering)	11,154	11,154	11,154	11,154	---	---
Ship Subsystem Development/Land Based Test Site	70,414	50,000	50,000	50,000	-20,414	---
Shipboard Electronic Warfare Improvements	40,193	---	---	---	-40,193	---
Standard Embedded Computer Resources	29,397	1,110	16,110	1,110	-28,287	-15,000
AN/SQS-53C	11,427	11,427	11,427	11,427	---	---
LINK BIRCH	5,296	3,000	2,486	3,000	-2,296	+514
Mine Development	10,587	10,587	10,587	10,587	---	---
Gun Ammunition Improvement	10,266	9,266	10,266	9,266	-1,000	-1,000
Unguided Conventional Air-Launched Weapons	3,183	3,183	1,726	3,183	---	+1,457
Chemical Warfare Weapons	---	---	---	---	---	---
Surface Electro-Optical Systems	14,311	12,000	---	12,000	-2,311	+12,000
Bomb Fuze Improvement	8,781	8,781	8,781	8,781	---	---
Advanced Lightweight Torpedo (EMG)	85,172	149,172	100,000	140,600	+55,428	+40,600
Joint Service Explosive Ordnance Development	5,432	5,432	5,432	5,432	---	---

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Marine Corps Assault Vehicles	16,035	24,035	26,035	16,035	---	-10,000
Marine Corps Ground Combat/Supporting Arms Systems	4,648	4,648	4,648	---	-4,648	-4,648
MK-48 ADCAP (Engineering)	32,238	30,000	22,238	22,238	-10,000	---
Anti-Submarine Warfare Oceanographic Equipment	1,146	1,146	1,146	1,146	---	---
CHALK BANYAN	28,613	13,000	13,000	13,000	-15,613	---
Theatre Mission Planning Center	28,342	---	28,342	---	-28,342	-28,342
Initial Trainer Acquisition	112,030	75,000	---	70,000	-42,030	+70,000
Navy Energy Program	4,398	4,398	4,398	4,398	---	---
NCCS Ashore Nodes	---	---	---	---	---	---
Surface ASW System Improvement	27,279	---	---	---	-27,279	---
Air Warfare Training Devices	1,927	500	---	500	-1,427	+500
Surface Warfare Training Devices	17,198	17,198	17,198	17,198	---	---
Marine Corps Combat Services Support	19,836	23,359	23,359	19,836	---	-3,523
Marine Corps Intelligence/Electronics Warfare System	13,306	13,306	11,306	11,306	-2,000	---
Marine Corps Command/Control/Communications Systems	20,037	20,037	10,337	20,037	---	+9,700
Regional Tac Surv	---	---	---	---	---	---
Battle Group Passive Horizon Extension System Trainer	17,230	---	---	---	-17,230	---
Intelligence	3,953	3,953	3,953	3,953	---	---
LINK CYPRESS	169,217	169,217	---	169,217	---	+169,217
Medical Developments	3,544	3,544	3,544	3,544	---	---
Joint Interop Tac Cmd/Control	---	---	---	---	---	---
JINTACCS MC	2,015	2,015	2,015	2,015	---	---
Electro-Magnetic Spectrum Management	6,593	2,000	2,000	2,000	-4,593	---
Management and Technical Support	12,329	7,000	7,000	7,000	-5,329	---
C2 Surveillance/Reconnaissance Support	6,456	6,456	6,456	6,456	---	---
A-6 Squadrons	2,773	1,000	---	1,000	-1,773	+1,000
F/A-18 Squadrons	17,316	12,000	10,000	12,000	-5,316	+2,000
F/A-18 Radar Upgrade	---	40,000	---	---	---	---
Early Warning Aircraft Squadrons	33,369	21,369	28,000	21,369	-12,000	-6,631
Aviation Support CVW	7,303	7,303	1,800	7,303	---	+5,503
Fleet Telecommunications (Tactical)	8,219	6,000	6,000	6,000	-2,219	---
Undersea Surveillance Systems	30,576	30,576	30,576	30,576	---	---
Ship-Towed Array Surveillance Systems	6,226	6,226	6,226	6,226	---	---
Special Projects	13,978	10,000	10,000	10,000	-3,978	---
Navy Cover and Deception Program	6,762	---	---	---	-6,762	---
Electronic Warfare (EW) Readiness Support	6,458	---	---	---	-6,458	---
Counter C3 Development	9,797	---	---	---	-9,797	---
HARM Improvement	---	3,800	3,800	---	---	-3,800
Tactical Info Systems	---	---	---	---	---	---
ASW Combat Systems Integration	14,399	14,399	14,399	14,399	---	---
Aircraft Equipment Reliability/Maintenance Program	2,032	2,032	2,032	2,032	---	---
Laboratory Fleet Support	5,511	5,511	5,511	5,511	---	---
F-14 Upgrade	184,770	184,000	144,000	184,000	-770	+40,000
Tactical Intelligence Processing	2,081	2,081	2,081	2,081	---	---
Electronic Warfare Counter Response	54,613	---	---	---	-54,613	---
Operational Reactor Development	35,497	33,000	20,000	35,497	---	+15,497
Marine Corps Telecommunications	8,306	8,306	8,306	8,306	---	---
Marine Corps Ground Combat/Supporting Arms Systems	56,485	46,485	54,342	29,681	-26,804	-24,661
Marine Corps Combat Services Support	4,996	4,996	4,996	3,497	-1,499	-1,499
Marine Corps Intelligence/Electronics Warfare Systems	15,299	9,999	9,999	9,999	-5,300	---
Marine Corps Command/Control/Communications Systems	25,164	16,379	16,379	16,379	-8,785	---
Marine Corps Tech Support Command & Control Support	---	---	---	---	---	---
TACIT RAINBOW	14,689	14,689	14,689	10,689	-4,000	-4,000
Joint Tactical Communications Program (TRI-TAC)	4,601	4,601	2,455	4,601	---	+2,146
Skipper	---	---	---	9,200	+9,200	+9,200
SSN-688 Upgrade	---	13,000	15,000	10,000	+10,000	-5,000
Quick Reaction Surveillance System	---	13,000	15,000	---	---	-15,000
General Reduction	---	---	---	---	---	---
Consolidated EW Programs	---	235,946	186,273	---	---	-186,273
Acoustic Processor/Torpedo Defense (AN/SQR-17A)	---	12,000	---	---	---	---
Point Defense Integration	---	4,000	---	---	---	---
Total, Tactical Programs	6,129,941	5,901,961	4,895,877	5,326,097	-803,844	+430,220
Intelligence & Communications						
Integrated Platform Communications Development	---	---	---	---	---	---
Warfare Support Systems	46,517	46,517	30,146	34,316	-12,201	+4,170
Tactical Command Systems	42,337	42,337	15,000	25,000	-17,337	+10,000
Transfer Support Systems	384,206	300,000	275,000	300,000	-84,206	+25,000
Navigation Systems	2,645	---	---	---	-2,645	---

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
EHF Satcom	---	---	---	---	---	---
NAVSTAR GPS	79,891	70,000	50,000	53,500	-26,391	+3,500
Satellite Comm	---	---	---	---	---	---
Navy Command and Control Top Level Warfare Requirement	4,720	4,720	3,000	3,000	-1,720	---
MILSTAR Satellite Communications System	4,600	4,600	4,600	4,600	---	---
Classified Programs	563,145	503,145	472,845	513,000	-50,145	+40,155
Total, Intelligence & Communications	1,128,061	971,319	850,591	933,416	-194,645	+82,825
Defensewide Mission Support						
Environmental Protection	8,882	8,882	8,882	8,882	---	---
NATO Research and Development	---	---	---	---	---	---
Range Instrumentation Systems Development (RISD)	8,893	8,893	8,893	8,893	---	---
Air/Ocean Equipment Engineering	2,156	2,156	2,156	2,156	---	---
Target Systems Development	95,644	75,000	70,000	75,000	-20,644	+5,000
Personnel, Training, Simulation, and Human Factors	3,107	1,000	1,000	1,000	-2,107	---
Studies and Analysis Support - MC	1,929	1,929	1,929	1,929	---	---
Studies and Analysis Support - Navy	5,410	4,410	3,917	3,410	-2,000	-507
Marine Corps Operations Analysis Group, CNA	4,454	4,454	4,454	4,454	---	---
Center for Naval Analyses	19,880	17,000	19,880	17,000	-2,880	-2,880
Fleet Tactical Development and Evaluation	16,885	14,000	13,000	12,000	-4,885	-1,000
Marine Corps Operational Test and Evaluation	1,311	1,311	1,311	1,311	---	---
Technical Information Services	2,697	2,697	2,697	2,697	---	---
Marine Corps Development Center Support	13,145	13,145	5,000	8,000	-5,145	+3,000
International RDT&E	4,014	4,014	4,014	1,314	-2,700	-2,700
RDT&E Laboratory and Facilities Management Support	52,665	52,665	40,000	52,665	---	+12,665
RDT&E Instrumentation and Materiel Support	41,835	35,000	25,000	41,835	---	+16,835
RDT&E Ship and Aircraft Support	92,944	85,000	76,944	92,944	---	+16,000
Test and Evaluation Support	325,343	310,000	310,000	310,000	-15,343	---
Operational Test and Evaluation Capability	8,953	8,953	8,953	8,953	---	---
Marine Corps Tact Exploit of National Capabilities	979	979	979	979	---	---
Productivity Investments	3,283	3,283	3,283	3,283	---	---
Weather Service	969	969	969	969	---	---
Defense Meteorological Satellite Program (DMSP)	4,107	4,107	4,107	59,107	+55,000	+55,000
Industrial Preparedness	43,393	43,393	43,393	36,393	-7,000	-7,000
Total, Defensewide Mission Support	762,878	703,240	660,761	755,174	-7,704	+94,413
Special Program	---	---	---	---	---	---
Conventional Defense Initiatives						
Laser Communication	---	20,000	50,000	20,000	+20,000	-30,000
Electro Magnetic Catapult	---	3,500	6,000	---	---	-6,000
Autonomous Piloted Aircraft	---	8,000	---	---	---	---
Acoustic Video Processor	---	14,600	8,600	8,600	+8,600	---
Ring Laser Gyro	---	4,000	---	---	---	---
Small Rotary Engine RPV	---	1,000	1,000	---	---	-1,000
Total, Conventional Defense Initiatives	---	51,100	65,600	28,600	+28,600	-37,000
General Reduction Consultants/Studies Analysis	---	---	---	---	---	---
Prior Year Fuel Savings	---	---	---	---	---	---
RACER	---	---	---	---	---	---
RDT&E Profit Policy Adjustment	---	---	---	---	---	---
FY 87 Inflation Repricing	---	---	---	---	---	---
Civilian Pay Raise	---	---	---	---	---	---
General Reduction, Special Access	---	---	-50,000	---	---	+50,000
General Reduction	---	---	---	---	---	---
Naval Oceanographic Prog	---	3,000	---	3,000	+3,000	+3,000
Adv Deep Water ASW Mine Dev	---	1,900	---	1,900	+1,900	+1,900
Woods Hole Ctr for Oceano/Metero Dev	---	2,000	---	---	---	---
Pay/Fers Supplemental	---	---	---	---	---	---

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
FERS Adjustment	---	---	-7,007	---	---	+7,007
Navy Electronic Warfare Programs	---	---	---	211,109	+211,109	+211,109
R&D Civilians End Strength Cap	---	---	---	-6,400	-6,400	-6,400
Navy budget amendment (H. doc. 100-122)	-42,300	---	---	-42,300	---	-42,300
Total, Research Development Test & Eval, Navy	10,448,112	9,947,151	8,634,560	9,535,619	-912,493	+901,059
Transfer from other accounts	---	---	---	---	---	---
Total funding available	10,448,112	9,947,151	8,634,560	9,535,619	-912,493	+901,059

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

1987 appropriation	$15,076,698,000
1988 budget estimate	18,623,383,000
House allowance	16,119,705,000
Committee recommendation	14,322,604,000

The Committee recommends an appropriation of $14,322,604,000, a reduction of $4,300,779,000 to the budget request. The Committee recommendation is $1,797,101,000 below the House allowance.

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	831,666	765,181	761,992	-69,674
Advanced technology development	929,179	777,540	728,695	-200,484
Strategic programs	8,435,403	7,059,428	5,464,833	-2,970,570
Tactical programs	4,547,154	3,913,604	3,709,950	-837,204
Intelligence and communications	2,277,412	2,126,415	2,045,116	-232,296
Defensewide mission support	1,602,569	1,373,231	1,602,018	-551

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Defense research sciences	191,762	179,539	185,000	-6,762
University research initiatives	19,536			-19,536
Materials	62,676	53,000	57,000	-5,676
Aerospace flight dynamics	70,087	68,000	68,000	-2,087
Aerospace propulsion	71,233	62,000	65,000	-6,233
Aerospace avionics	65,975	62,000	60,000	-5,975
Training and simulation technology	35,937	34,100	32,000	-3,937
Rocket propulsion	43,339	40,000	38,000	-5,339
Advanced weapons	37,027	37,027	35,000	-2,027
Conventional munitions	43,041	40,722	40,722	-2,319
Command, control, and communications	82,260	80,000	76,000	-6,260
Logistics systems technology	12,747	9,574	9,574	-3,173
Aircraft propulsion subsystem integration	23,646	23,646	20,000	-3,646
Advanced avionics for aerospace vehicles	36,635	5,300	27,450	-9,185
Aerospace structure and materials	28,068	26,000	26,000	-2,068
Advanced turbine engine gas generator	33,719	26,999	31,719	-2,000
Advanced fighter technology integration	29,734	22,352	22,352	-7,382
Concept development	4,785		1,000	-3,785
Advanced integration avionics	16,676		14,175	-2,501
Advanced spacecraft technology	8,433		4,000	-4,433

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Geophysics	39,523	39,523	36,000	-3,523
Flight vehicle technology	27,220	20,602	20,602	-6,618
Advanced radiation technology	29,076	25,000	25,000	-4,076
Very high speed integrated circuits	101,413	101,413	100,000	-1,413
Fiber optics development	8,608	3,824	7,000	-1,608
Command, control, and communications	42,809	23,209	32,000	-10,809
Strategic relocatable target capability	16,495		10,000	-6,495
Air defense battle management technology	17,139	9,139		-17,139
Cruise missile engagement systems technology	13,222	3,000		-13,222
Atmospheric surveillance technology	8,695	8,695		-8,695
ADI surveillance technology				-85,679
Air defense initiative-general			35,000	+35,000
B-1B	415,511	375,672	375,672	-39,839
Defense Support Program	103,807	241,807	88,807	-15,000
Command center processing and display system	32,052	29,552	30,352	-1,700
Over-the-horizon horizon backscatter radar	38,396	28,396	34,500	-3,896
Minuteman squadrons	107,672	87,672	87,672	-20,000
NCMC-space defense systems	26,371	26,371	10,000	-16,371
Minimum essential emergency communications network	55,598	50,598	50,598	-5,000
Milstar satellite communications system (AF terminals)	229,229	189,000	209,000	-20,229
Military airlift group (IF)	12,415	9,991	9,991	-2,424
Advanced tactical fighter	536,826	480,000	508,000	-28,826
Alternate fighter engine	86,915	81,915	76,915	-10,000
Air base survivability and recovery	4,426	4,426	3,000	-1,426
Aircraft avionics equipment development	19,685	19,685	17,000	-2,685
Modular automatic test equipment	18,373	18,373	15,000	-3,373
Aircraft Engine Component Improvement Program	101,012	101,012	91,012	-10,000
Advanced short range air-to-air missile	3,001	3,001	1,000	-2,001
Hardened target munitions	7,690		3,000	-4,690
GLCM	5,299			-5,299
Combat identification systems	44,930	44,230	35,000	-9,930
Protective systems (5615)	52,410	32,865	32,865	-19,545
Air base survivability and recovery	14,532	14,532	12,000	-2,532
Life support systems	12,617	12,617	10,000	-2,617
Computer resources management technology	20,367	15,000	10,000	-10,367
Joint tactical information distribution system	44,072	22,000	25,000	-19,072
F-4G Wild Weasel squadrons	17,762		15,800	-1,962
Competitive fighter procurement	3,525			-3,525
Tactical AGM missiles	2,348			-2,348
AWACS	110,737	85,000	105,000	-5,737
Joint tactical communications program (TRI-TAC)	15,872	10,000	10,000	-5,872
Satellite communications terminals	23,783	14,000	14,000	-9,783

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Special operations forces	109,487	79,640	90,000	-19,487
A-7 squadrons (ANG)	63,220	63,220	56,200	-7,020
NAVSTAR global positioning system user equipment	45,801	35,000	40,400	-5,401
TR-1 squadron	74,923	74,923	70,000	-4,923
Follow-on tactical reconnaissance system	55,561	40,561	47,000	-8,561
Tactical air control systems	20,995	20,995	18,000	-2,995
Advanced communications systems	34,549	34,549	30,000	-4,549
MAC command and control system	10,002	10,002	8,000	-2,002
DYCOMS	12,340		10,000	-2,340
R&M maturation/technology insertion	20,365	15,000	15,000	-5,365
Range improvement	69,560	56,000	64,000	-5,560
Improved capability for development test and evaluation	64,663	50,000	55,000	-9,663
RDT&E aircraft support	59,034	45,000	50,000	-9,034
Real property maintenance—RDT&E	79,702	74,702	74,702	-5,000
Base operations—RDT&E	62,152	57,152	57,152	-5,000
Satellite control facility	109,531	76,531	90,000	-19,531
CSOC	50,020	40,020	40,020	-10,000
Depot maintenance (non-IF)	998			-998
Flight simulator development	61,701	61,701	57,000	-4,701

COMMITTEE RECOMMENDED ADJUSTMENTS

The fiscal year 1988 budget request included several programs which: (*a*) contained unjustifiably large increases compared to the amounts appropriated in fiscal year 1987, or (*b*) represent basic generic RDT&E functions not associated with specific program requirements, or (*c*) lacked convincing military rationale to merit requested funding, or (*d*) proposed new projects of not high enough priority to justify a new initiative in the present constrained fiscal environment, or (*e*) contained funds which the Air Force later identified as excess to program requirements. Accordingly, the Committee recommends the following adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Crew systems technology	23,252	23,252	18,242	-5,010
Hypervelocity missile	11,626	10,626	10,626	-1,000
F-111 self-protection systems	58,007		19,200	-38,807
Short-range attack missile II [SRAM II]	220,386	189,986	160,000	-60,386
Space test program	90,197	50,197	50,197	-40,000
Advanced systems engineering/planning	25,376	13,604	13,144	-12,232
Test and evaluation support	304,839	300,000	291,000	-13,839
Productivity, reliability, availability, maintainability	19,560	19,560	14,763	-4,797
R&D civilians end-strength cap				-17,960

JOINT/MULTISERVICE PROGRAMS

As addressed in the introduction to the RDT&E section of this report, the Committee recommends adjustments to the Air Force's remotely piloted vehicles [RPV], standoff air-to-surface weapons, and electronic warfare [EW] programs, including several classified programs, as follows:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
RPV program: Unmanned air reconnaissance system	8,812			-8,812
Electronic warfare programs:				
Electronic combat technology	41,288			-41,288
Combat identification technology	1,457			-1,457
C^3CM advanced systems	1,386			-1,386
Electronic warfare counter response	13,654			-13,654
Tactical C^3 countermeasures	12,761			-12,761
Airborne self-protection jammer	21,545			-21,545
Tactical protective systems	49,077			-49,077
Electronic combat intelligence support	1,622			-1,622
Air Force consolidated electronic warfare programs		176,351	183,250	+183,250
Standoff weapons programs:				
Modular standoff weapons	39,175	20,000		-39,175
Surface defense suppression	40,775	30,000		-40,775

The Committee provided alternative levels of funding for Air Force RPV and standoff weapons activities as part of the joint programs it is recommending in the "Defense Agencies RDT&E" account.

ADDITIONAL MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

National aerospace plane [NASP].—The Committee recommends an appropriation of $113,850,000, a reduction of $122,189,000 to the budget request, for this program to develop a hypersonic, manned rocket airplane for launching payloads into space from conventional airfields. The House allowance provided $211,039,000, a reduction of $25,000,000 to the NASP budget request of $236,039,000.

The Committee's recommendation provides sufficient resources to protect the NASP program from the impact of inflation in fiscal 1988. However, the recommendation eliminates the more than 100 percent requested real growth in view of funding needs for the much higher-priority Space Launch Recovery Program funded elsewhere in this bill, and for other programs with demonstrated, near-term military payoffs, compared with the hypothetical, far-distant benefits which may be gained from NASP only if the major technological issues surrounding the program are resolved.

The Committee further is aware of the concerns about NASP by a task force of the Defense Science Board, which questioned the current pace, direction, and structure of the program as prematurely rushing toward a 1993 demonstration flight before the technologies needed to support that project may be available. The Committee's recommended level of funding permits a more reasonably paced technology development effort.

In addition, the Committee feels compelled to express its concern about the Secretary of Defense's certification earlier this year that a revised cost-sharing arrangement had been negotiated between the Defense Department and the National Aeronautics and Space Administration [NASA] which significantly increased NASA investment as a percentage of total NASP RDT&E costs. A careful examination of the revised NASP program funding profiles between fiscal years 1986–94, the full period of the total development program covered by the statutory certification requirement, shows that NASA's share of total NASP RDT&E costs has increased from 19.1 percent to 20.2 percent, or only 1.1 percent. The Committee does not agree that a significant increase in NASA's share of total NASP RDT&E costs has been negotiated.

The Committee's wishes to reemphasize strongly its position as to the requirement for increased NASA cost sharing in total NASP RDT&E costs. Accordingly, to reinforce this position, the Committee is recommending in this year's legislation the same language adopted in the fiscal 1987 continuing appropriations resolution. This provision restricts the obligation and expenditure of $56,925,000, one-half of the funds provided for the NASP program in fiscal year 1988, until the Secretary of Defense certifies that a significantly increased NASA share of total program RDT&E costs has been negotiated.

In this regard, the Committee believes that the increased share of NASP RDT&E costs NASA has agreed to assume between fiscal years 1986–90 is a positive development. The Committee expects that the fiscal 1986–90 funding profiles will remain as already negotiated, and that the revised funding arrangement required under the recommended statutory provision will contain sufficient increases in NASA's annual share of NASP program funding in fiscal years 1991–94 to enable the Defense Secretary to submit the necessary certification.

ICBM modernization.—The Committee recommends an appropriation of $431,191,000, a reduction of $2,444,537,000 from the budget request, for the modernization of the land-based component of our strategic nuclear deterrent forces. The Committee's recommendation terminates the small mobile ICBM (SICBM or Midgetman) program in favor of the Peacekeeper missile deployed in the rail garrison basing mode.

The Committee's recommendation includes the following subcomponents: (*a*) an appropriation of $400,000,000, a reduction of $191,356,000 from the budget request, for the Peacekeeper/rail garrison program; (*b*) no appropriation, a reduction of $2,233,181,000 from the budget request for the SICBM program; and the rescission of $295,600,000 in fiscal 1987 SICBM funds not needed in the program due to contract savings; and (*c*) an appropriation of $31,191,000, a reduction of $20,000,000 from the budget request, for the Peacekeeper flight test program.

The Committee concludes that the Midgetman is unaffordable in view of present and future defense budget constraints and of the need to fund higher priority strategic and conventional programs. According to the Air Force, the 20-year life cycle costs for the small ICBM are $43,000,000,000 to $46,000,000,000 in fiscal 1988 dollars, compared with Peacekeeper/rail garrison life cycle costs of less than $15,000,000,000 in fiscal 1988 dollars for the same period of time. In the Committee's opinion, the Peacekeeper/rail garrison combination provides sufficient survivability to warrant its far less costly development as the appropriate way to maintain and improve the capabilities of our land-based intercontinental ballistic missiles.

To support this conclusion, the Committee has recommended sufficient funding for the Peacekeeper/rail garrison program to permit achievement of the earliest feasible initial operational capability [IOC] for this missile/basing mode configuration. The Committee has been informed by the Air Force that a 1991 IOC can be maintained for Peacekeeper/rail garrison with these funds.

The Committee regards its adjustment to the budget request for the Peacekeeper flight test program as acceptable in view of overall budget constraints and of the high success rate of the almost-completed test program.

The House allowance provided $250,000,000 for the Peacekeeper/rail garrison program; $1,575,000,000 for SICBM; and $41,191,000 for Peacekeeper flight tests.

Space defense system [ASAT].—The Committee recommends an appropriation of $162,400,000, a reduction of $239,958,000 from the budget request, to support development of antisatellite [ASAT] capabilities for the Air Force. The principal focus of this program has been development of miniature homing vehicle [MHV] interceptor warheads carried on modified rockets launched from specially configured F-15 tactical aircraft. The Committee understands that the funds provided are sufficient to support development of an austere operational capability, with a limited number of RDT&E missiles upgraded to meet minimum readiness requirements, and located at Edwards AFB, CA, which would not require new military construction. The Committee recommends that the Air Force pursue this option as the least expensive alternative to obtain ASAT capabilities in the near future. The Committee has denied funding for all activities related to production verification and production which is consistent with authorization action. In addition, the Committee recommends that the Air Force concentrate on developing more effective, limited-altitude ASAT capabilities based on ground-based lasers and not on enhanced altitude air-launched and ground-launched missiles. The Committee notes that the Air Force also is pursuing ground-based, laser-ASAT developments in other programs and has provided funding elsewhere in the budget to support the candidate lasers with the most potential to accomplish this mission.

The Committee recommends that any funds provided in the Space Defense System Program which are not required for development of the austere operational capability of the MHV/F-15 ASAT be available only for development of laser ASAT technologies, in combination with the other funds provided for this purpose.

The Committee believes that development of a modest MHV/F-15 ASAT capability at only one location in the continental United States will not undermine space-related arms control efforts, but, instead, will provide a useful in-kind deterrent against Soviet attacks on important, low-altitude United States satellites.

The House allowance provided $75,000,000 for the Space Defense System [ASAT] Program.

Armament/ordnance development.—The Committee recommends an appropriation of $14,129,000, a reduction of $11,500,000 to the budget request, for this munitions development program. The Air Force has identified $11,500,000 in fiscal year 1987 funding as available due to delays in the direct airfield attack munition [DAACM] development project in this program. The Committee expects that the unused fiscal year 1987 funds will be applied to the DAACM project in fiscal year 1988 to provide the full funding originally requested in the budget for the overall program. The House allowance provides $15,629,000 for this program.

C-17 airlift aircraft.—The Committee recommends an appropriation of $879,904,000, a reduction of $340,000,000, for this program to develop a new strategic and intratheater transport aircraft. The Committee supports the C-17 program but was required to reduce the budget request based on total budget constraints. The recommendation also is based on authorization action.

The Committee's recommendation still provides the C-17 program with a more reasonable real growth of 36 percent, compared with the 88 percent real growth proposed in the budget request. The House allowance provides $1,119,904,000, a reduction of $100,000,000 from the budget request, for the C-17 development effort.

F-111 squadrons.—The Committee recommends an appropriation of $21,700,000, a reduction of $3,956,000 to the budget request, for this program to develop improvements to our long-range night/all-weather, deep interdiction bombers. In making this recommendation, which is based on authorization action, the Committee expects that the flight safety-related activities proposed in the budget request will be fully funded within the resources provided. The House allowance allocates no funds for F-111 squadrons in fiscal 1988.

Space shuttle operations.—The Committee recommends an appropriation of $70,954,000, a reduction of $15,600,000 to the budget request, to eliminate funding for activities which duplicate efforts in the advanced launch system [ALS] heavy lift rocket program funded by the Committee in the Defense Agencies component of the budget. The House allowance recommends $56,954,000 for space shuttle operations.

Tacit Rainbow and Seek Spinner.—The Committee also recommends that all the funds appropriated in fiscal year 1987 for Seek Spinner development be rescinded. The Committee approves full funding for Tacit Rainbow, a program to develop a loitering missile to attack enemy radars. The Committee is aware that the Office of the Secretary of Defense decided 2 years ago to develop the more flexible and versatile Tacit Rainbow instead of Seek Spinner. The Committee has received no information which would justify changing that position. A more detailed explanation of the specific amounts involved in the transfer is contained in the classified annex to this report.

Industrial preparedness.—The Committee recognizes the Air Force's goals to meet emerging logistics and weapons support requirements and recommends that $3,700,000 of the funds provided for the Air Force Industrial Preparedness R&D Program shall be used only for engineering research to meet the logistics requirements necessary to field and maintain the existing and future inventory of weapon systems. The focus of this research shall be on those areas of research devoted to improving our capability to maintain and support our existing weapon systems, and shall include such critical areas as the development of reprocurement data packages; evaluation, prototyping, and modification of hardware and software for electronic warfare equipment; structural failure analysis; mechanical engineering support; manufacturing technology; and logistics management, including spare parts procurement.

Committee initiatives.—The Committee is recommending modest funding increases to several programs which make important contributions to accomplishment of Air Force missions:

(a) *INEWS/ICNIA Program, and integrated electronic warfare/communications/navigation/identification [EW/CNI] development; F–15 and F–16 squadrons.*—The Committee recommends an appropriation of $115,000,000, an increase of $31,700,000 to the budget request, for the INEWS/ICNIA Program, and recommends an appropriation of $7,714,000, an increase of $2,000,000 to the budget request, for integrated EW/CNI development. These additions will fund enhanced research to develop integrated avionics capabilities for Air Force and Navy tactical aircraft. Such integrated avionics have the potential to increase significantly the operational capabilities, and to reduce greatly the logistics complexities, of these high-performance aircraft.

The House allowance provided $85,300,000, an increase of $2,000,000 to the budget request for the ICNIA/INEWS Program; it also provided $7,714,000 for the integrated EW/CNI Development Program.

The Committee's recommended addition to the ICNIA/INEWS Program includes $30,000,000 to replace a requested, fiscal 1987 reprogramming for which the Air Force was unable to provide acceptable sources. Since this reprogramming is needed to maintain the ICNIA/INEWS schedule to permit incorporation of these integrated systems into the advanced tactical fighter, the Air Force's highest priority tactical program, the Committee recommends that the $30,000,000 be provided from lower priority fighter RDT&E programs. Therefore, the Committee recommends reducing the F–15 squadrons request by $20,000,000 and reducing the F–16 squadrons request by $10,000,000 for this purpose.

The Committee recommends an appropriation of $86,000,000, a total reduction of $32,564,000 to the budget request, for F–15 squadrons. The Committee recommends $15,500,000, a total reduction of $20,986,000 to the budget request, for F–16 squadrons. The House allowance provided no funds for either program. Both reductions also include decreases recommended by authorization actions.

(b) *Joint surveillance/target attack radar system [JSTARS].*—The Committee recommends an appropriation of $347,912,000, an increase of $10,000,000 to the budget request, for this high priority NATO-oriented program. The increased funding permits the Air Force to modify an existing test aircraft to the JSTARS configuration to provide an additional testing capability to accelerate program development, and fielding, of this conventional force multiplier system to target Soviet and Warsaw Pact second and third echelon ground forces. The Committee's recommendation is $147,912,000 above the House allowance of $200,000,000 for this program.

(c) *Traffic control, approach, and landing system [TRACALS].*—The Committee recommends an appropriation of $14,300,000, an increase of $2,205,000 to the budget request, to enhance efforts to develop the mobile microwave landing system, an important flight safety improvement project. The House allowance provided $25,995,000, an increase of $13,900,000 above the budget request, for the overall program.

(d) *Project Air Force.*—The Committee recommends an appropriation of $22,106,000, an increase of $3,000,000 to the budget request and $6,000,000 above the House allowance, to fund improved independent analytical support to the Air Force at the Rand Corp.

(e) *Nonacoustic antisubmarine warfare [ASW].*—The Committee recommends an addition of $10,000,000 above the budget request to fund a special project investigating nonacoustic ASW technologies so as to ensure against Soviet breakthroughs in this area. The House allowance provided $15,000,000 for this project.

Classified adjustments.—The Committee recommended the following adjustments to classified projects in several programs:

(a) *Spacetrack.*—The Committee recommends an appropriation of $7,360,000, a reduction of $2,000,000 to the budget request and the same amount as provided by the House allowance.

(b) *Submarine-launched ballistic missile radar warning system.*—The Committee recommends an appropriation of $17,313,000, a reduction of $3,000,000 from the budget request and the same amount as provided by the House allowance.

(c) *Defense Meterological Satellite Program.*—The Committee recommends an appropriation of $51,000,000, a reduction of $5,181,000 from the budget request. The House provided $34,681,000 for this program.

(d) *Classified programs.*—The Committee recommends reductions totaling $229,100,000 from the budget request for various programs.

An explanation of these adjustments is contained in the classified annex to the Committee's report.

SMART MUNITIONS AS FORCE MULTIPLIERS

The Committee has long been concerned about the current and prospective numerical imbalance in conventional forces favoring the Warsaw Pact over the North Atlantic Treaty Organization [NATO]. This preponderance is especially pronounced in the area of armored capabilities. Although commendable strides have been made by the United States to redress existing deficiencies through the acquisition of modern platforms and upgraded antitank munitions, it is indisputable that the Soviet Union and its Warsaw Pact allies likewise have continued a sustained modernization of their own tactical battlefield forces at a rate which surpasses that of United States improvement efforts. Moreover, an arms control agreement which eliminates medium-range and short-range nuclear missiles from Europe would further magnify this conventional numerical imbalance and require additional corrective steps to insure that conventional deterrence is maintained and a credible nonnuclear war-fighting capability is fielded should deterrence fail.

Accordingly, and in view of the fact that NATO is unlikely to achieve quantitative equality with the Warsaw Pact in numbers of deployed systems—particularly in a constrained budgetary environment—the Committee urges the Air Force and the Army to aggressively pursue development of emerging smart munitions technologies which could multiply greatly the individual and collective capabilities of present and projected air-based and ground-based platforms. Several technologies, especially those applicable to the antiarmor mission, may offer considerable promise as a cost-effective means for countering the increasing number of targets confronting NATO forces. Therefore, the Committee believes that the incorporation of such munitions into the U.S. force structure should be accorded a high priority in future program planning and budget submissions.

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Research Development Test & Eval AF						
Technology Base						
In-House Laboratory Independent Research	15,653	15,653	15,653	15,653	---	---
Defense Research Sciences	191,762	185,000	179,539	185,000	-6,762	+5,461
University Research Initiatives	19,536	---	---	---	-19,536	---
Geophysics	39,523	36,000	39,523	36,000	-3,523	-3,523
Materials	62,676	62,676	53,000	57,000	-5,676	+4,000
Aerospace Flight Dynamics	70,087	68,000	68,000	68,000	-2,087	---
Aerospace Biotechnology	47,939	47,939	47,939	47,939	---	---
Aerospace Propulsion	71,233	68,233	62,000	65,000	-6,233	+3,000
Aerospace Avionics	65,975	60,000	62,000	60,000	-5,975	-2,000
Training and Simulation Technology	35,937	32,000	34,100	32,000	-3,937	-2,100
Civil Engineering and Environmental Quality	5,678	5,678	5,678	5,678	---	---
Rocket Propulsion	43,339	38,000	40,000	38,000	-5,339	-2,000
Advanced Weapons	37,027	35,000	37,027	35,000	-2,027	-2,027
Conventional Munitions	43,041	43,041	40,722	40,722	-2,319	---
Command Control and Communications	82,260	76,000	80,000	76,000	-6,260	-4,000
Pers Utilization Tech	---	---	---	---	---	---
Total, Technology Base	831,666	773,220	765,181	761,992	-69,674	-3,189
Advance Technology Development						
Logistics Systems Technology	-12,747	9,574	9,574	9,574	-3,173	---
INEWS/ICNIA	83,300	85,000	85,300	115,000	+31,700	+29,700
Aircraft Propulsion Subsystem Integration	23,646	20,000	23,646	20,000	-3,646	-3,646
Advanced Avionics for Aerospace Vehicles	36,635	27,450	5,300	27,450	-9,185	+22,150
Flight Vehicle Technology	27,220	20,602	20,602	20,602	-6,618	---
Recon Sensors/Processing Technology	---	---	---	---	---	---
Aerospace Structure and Materials	28,068	26,000	26,000	26,000	-2,068	---
Aviation Turbine Fuel Technology	---	---	---	---	---	---
Advanced Turbine Engine Gas Generator	33,719	31,719	26,999	31,719	-2,000	+4,720
Weapon System Power	---	---	---	---	---	---
DoD Common Programming Language (Ada) Adv Dev	15,673	15,673	6,503	15,673	---	+9,170
Advanced Simulator Technology	10,902	10,902	8,481	10,902	---	+2,421
Crew Systems Technolgy	23,252	23,252	23,252	18,242	-5,010	-5,010
Acft Non-Nuclear Survivability	---	---	---	---	---	---
Advanced Fighter Technology Integration	29,734	22,352	22,352	22,352	-7,382	---
Concept Development	4,785	3,000	---	1,000	-3,785	+1,000
Lincoln Laboratory	24,760	24,760	20,000	24,760	---	+4,760
Advanced Integration Avionics	16,676	15,842	---	14,175	-2,501	+14,175
Cartog Applications-Tac & Strat Sys	---	---	---	---	---	---
National Aero Space Plane Technology Program	236,039	190,000	211,039	113,850	-122,189	-97,189
Space and Missile Rocket Propulsion	8,973	11,473	8,973	8,973	---	---
Hypervelocity Missile	11,626	11,626	10,626	10,626	-1,000	---
Advanced Spacecraft Technology	8,433	6,000	---	4,000	-4,433	+4,000
Space Systems Environmental Interactions Technology	3,825	3,825	3,825	3,825	---	---
Very High Speed Integrated Circuits	101,413	100,000	101,413	100,000	-1,413	-1,413
Conventional Weapons	25,021	25,021	25,021	25,021	---	---
Advanced Radiation Technology	29,076	25,000	25,000	25,000	-4,076	---
Manpower & Personnel Sys Tech	---	---	---	---	---	---
EMRLD and Related Technologies	---	46,650	46,650	---	---	-46,650
Weather Systems - Adv Dev	5,276	5,276	5,276	5,276	---	---
Civil and Environmental Engineering Technology	11,342	11,342	11,342	11,342	---	---
Fiber Optics Development	8,608	7,000	3,824	7,000	-1,608	+3,176
Advanced Communications Technology	---	---	---	---	---	---
Advanced Computer Technology	5,128	5,128	4,128	5,128	---	+1,000
Electronic Combat Technology	41,288	---	---	---	-41,288	---
Chemical Warfare Defense	---	---	---	---	---	---
Counter/Countermeasures -Adv Dev	---	---	---	---	---	---
Training Systems Technology	276	276	276	276	---	---
DoD Software Engineering Institute	18,929	18,929	18,929	18,929	---	---
Command Control and Communications	42,809	32,000	23,209	32,000	-10,809	+8,791
Forecast II Programs	---	---	---	---	---	---
Total, Advance Technology Development	929,179	835,672	777,540	728,695	-200,484	-48,845

[In thousands of dollars]

	1988 budget estimate	Authorized amount	House allowance	Committee recommendation	Senate compared to—	
					Budget estimate	House allowance
	(1)	(2)	(3)	(4)	(5)	(6)
Strategic Programs						
Advanced Strategic Missile Systems	134,162	134,162	134,162	134,162	---	---
Short Range Attack Missile II (SRAM II)	220,386	190,000	189,986	160,000	-60,386	-29,986
Strategic Relocatable Target Capability	16,495	10,000	---	10,000	-6,495	+10,000
ADI-General	---	---	---	35,000	+35,000	+35,000
Air Defense Battle Management Technology	17,139	---	9,139	---	-17,139	-9,139
Cruise Missile Engagement Systems Technology	13,222	---	3,000	---	-13,222	-3,000
Cruise Missile Surveillance Technology	---	---	---	---	---	---
Atmospheric Surveillance Technology	8,695	---	8,695	---	-8,695	-8,695
Technical On-Site Inspection Program	3,819	3,819	3,819	3,819	---	---
WWMCCS Architecture	282	282	---	282	---	+282
WWABNCP System Replacement	13,695	13,695	---	13,695	---	+13,695
B-1B	415,511	375,672	375,672	375,672	-39,839	---
Common Strategic Rotary Launcher	5,715	5,715	2,000	5,715	---	+3,715
ICBM Modernization	2,875,728	1,851,191	1,866,191	431,191	-2,444,537	-1,435,000
Peacekeeper	(51,191)	(51,191)	(41,191)	(31,191)	(-20,000)	(-10,000)
Small ICBM	(2,233,181)	(1,500,000)	(1,575,000)	---	(-2,233,181)	(-1,575,000)
Rail Mobile MX	(591,356)	(300,000)	(250,000)	(400,000)	(-191,356)	(+150,000)
Strategic Conventional Standoff Capability (SCSC)	---	---	---	---	---	---
Air Launched Cruise Missile (ALCM)	3,591	3,591	3,591	3,591	---	---
Space Defense System (ASAT)	402,358	200,000	75,000	162,400	-239,958	+87,400
Systems Survivability (Nuclear Effects)	12,976	12,976	12,976	12,976	---	---
KC-135 Squadrons	4,035	4,035	4,035	4,035	---	---
Minuteman Squadrons	107,672	87,672	87,672	87,672	-20,000	---
PACCS and WWABNCP System EC-135 Class V Mods	943	943	943	943	---	---
SAC Communications	---	---	---	---	---	---
NCMC - TW/AA Systems	57,849	57,849	57,849	57,849	---	---
NCMC - Space Defense Systems	26,371	10,000	26,371	10,000	-16,371	-16,371
ADI Surveillance Technology	---	---	---	-85,679	-85,679	-85,679
Ballistic Missile Tact Warning/Attack Assessment Sys	2,265	2,265	2,265	2,265	---	---
Joint Surveillance System	2,156	2,156	2,156	2,156	---	---
Surveillance Radar Stations/Sites	5,224	5,224	5,224	5,224	---	---
Distant Early Warning (DEW) Radar Stations	8,477	8,477	8,477	8,477	---	---
Over-the-Horizon Backscatter Radar	38,396	34,500	28,396	34,500	-3,896	+6,104
Ballistic Missile Early Warning System (BMEWS)	19,247	19,247	9,247	19,247	---	+10,000
SPACETRACK	9,630	9,630	7,630	7,630	-2,000	---
Defense Support Program	103,807	88,807	241,807	88,807	-15,000	-153,000
Submarine-Launched Ballistic Missile Radar Warn Sys	20,313	17,313	17,313	17,313	-3,000	---
NUDET Detection System	10,397	10,397	7,397	10,397	---	+3,000
Command Center Processing and Display System	32,052	30,052	29,552	30,352	-1,700	+800
Minimum Essential Emergency Communications Network	55,598	50,598	50,598	50,598	-5,000	---
World-Wide Military Cmd/Control Sys, Info Sys	5,107	5,107	5,107	5,107	---	---
WWMCCS Info System Joint Program Management Office	82,089	82,089	21,489	82,089	---	+60,600
MILSTAR Satellite Communications System (AF Terminals)	229,229	209,000	189,000	209,000	-20,229	+20,000
MILSTAR Satellite Communications System	---	---	---	---	---	---
Military Airlift Group (IF)	12,415	9,991	9,991	9,991	-2,424	---
Air Defense Initiative	---	66,700	---	---	---	---
Classified Programs	3,458,357	3,655,578	3,562,678	3,458,357	---	-104,321
Total, Strategic Programs	8,435,403	7,268,733	7,059,428	5,464,833	-2,970,570	-1,594,595
Tactical Programs						
Advanced Tactical Fighter	536,826	536,000	480,000	508,000	-28,826	+28,000
Unmanned Air Reconnaissance System	8,812	8,812	---	---	-8,812	---
CV-22A	32,025	30,000	16,000	32,025	---	+16,025
Intelligence Advanced Development	5,074	5,074	4,074	5,074	---	+1,000
Airbase Survivability and Recovery	4,426	3,000	4,426	3,000	-1,426	-1,426
Low Cost Anti-Radiation Seeker	13,586	13,586	13,586	13,586	---	---
Millimeter Wave Seekers	---	---	---	---	---	---
DoD Physical Security Equipment - Exterior	912	912	912	912	---	---
Combat Identification Technology	1,457	---	---	---	-1,457	---
C3CM Advanced Systems	1,386	---	---	---	-1,386	---
Aircraft Avionics Equipment Development	19,685	17,000	19,685	17,000	-2,685	-2,685
Aircraft Equipment Development	1,939	1,939	1,939	1,939	---	---
Engine Model Derivative Program (EMDP)	979	979	979	979	---	---
Integrated Digital Avionics	270	270	270	270	---	---
EW Counter Response	13,654	---	---	---	-13,654	---
Nuclear Weapons Support	4,444	4,444	4,444	4,444	---	---
Alternate Fighter Engine	86,915	76,915	81,915	76,915	-10,000	-5,000

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
C-17 Program	1,219,904	1,170,000	1,119,904	879,904	-340,000	-240,000
Infrared Search and Track System	14,055	14,055	14,055	14,055	---	---
Variable Stability In-Flight Simulator Test Aircraft	6,249	6,249	6,249	6,249	---	---
Modular Automatic Test Equipment	18,373	15,000	18,373	15,000	-3,373	-3,373
Modular Standoff Weapons	39,175	30,000	20,000	---	-39,175	-20,000
Night/Precision Attack	19,851	19,851	19,851	19,851	---	---
Integrated EW/CNI Development	5,714	7,714	7,714	7,714	+2,000	---
Aircraft Engine Component Improvement Program	101,012	91,012	101,012	91,012	-10,000	-10,000
T-46A	---	---	---	---	---	---
Advanced Medium-Range Air-to-Air Missile (AMRAAM)	28,194	28,194	14,000	28,194	---	+14,194
Advanced Short Range Air-to-Air Missile (ASRAAM)	3,001	3,001	3,001	1,000	-2,001	-2,001
Joint Tactical Fusion Program	---	---	---	---	---	---
Hardened Target Munitions	7,690	7,690	---	3,000	-4,690	+3,000
Ground-Launched Cruise Missile (GLCM)	5,299	5,299	---	---	-5,299	---
Chemical/Biological Defense Equipment	14,600	14,600	14,600	14,600	---	---
Armament/Ordnance Development	25,629	20,000	15,629	14,129	-11,500	-1,500
Submunitions	4,668	4,668	4,668	4,668	---	---
Wide-Area Anti-Armor Munitions	17,607	22,607	22,607	17,607	---	-5,000
Air Base Survivability and Recovery	14,532	12,000	14,532	12,000	-2,532	-2,532
Aeromedical Systems Development	6,730	6,730	6,730	6,730	---	---
Common Support Equipment Development	1,645	1,645	1,645	1,645	---	---
Life Support Systems	12,617	10,000	12,617	10,000	-2,617	-2,617
Other Operational Equipment	6,987	6,987	6,987	6,987	---	---
Reconnaissance Equipment	195	195	195	195	---	---
DoD Physical Security Equipment - Exterior	11,332	11,332	11,332	11,332	---	---
Tactical C3 Countermeasures	12,761	---	---	---	-12,761	---
Combat Identification Systems	44,930	35,000	44,230	35,000	-9,930	-9,230
Surface Defense Suppression	40,775	10,000	30,000	---	-40,775	-30,000
Airborne Self-Protection Jammer	21,545	---	---	---	-21,545	---
Protective Systems	52,410	32,865	32,865	32,865	-19,545	---
Tactical Protective Systems	49,077	---	---	---	-49,077	---
Computer Resources Management Technology	20,367	10,000	15,000	10,000	-10,367	-5,000
Precision Location Strike System	---	15,000	15,000	---	---	-15,000
Intelligence Equipment	5,928	5,928	5,928	5,928	---	---
Joint Tactical Information Distribution System (JTIDS)	44,072	25,000	22,000	25,000	-19,072	+3,000
Side Looking Airborne Radar	11,117	11,117	41,117	11,117	---	-30,000
Joint Surveillance/Target Attack Radar System (JSTARS)	337,912	376,912	200,000	347,912	+10,000	+147,912
Joint Interoperability of Tactical Command & Control	6,040	6,040	6,040	6,040	---	---
U.S. Readiness Command - Communications	4,015	4,015	4,015	4,015	---	---
F-111 Squadrons	25,656	21,700	---	21,700	-3,956	+21,700
F-15 Squadrons	118,564	115,600	---	86,000	-32,564	+86,000
F-16 Squadrons	36,486	33,500	---	15,500	-20,986	+15,500
F-4G WILD WEASEL Squadrons	17,762	17,710	---	15,800	-1,962	+15,800
Competitive Fighter Procurement	3,525	---	---	---	-3,525	---
Tactical AGM Missiles	2,348	2,348	---	---	-2,348	---
F-111 Self Protection Systems	58,007	19,200	---	19,200	-38,807	+19,200
TR-1 Squadron	74,923	70,000	74,923	70,000	-4,923	-4,923
TR-1 Propulsion Upgrade	---	---	---	---	---	---
Follow-On Tactical Reconnaissance System	55,561	47,000	40,561	47,000	-8,561	+6,439
AF TENCAP	313	313	313	313	---	---
Overseas Air Weapon Control System	6,947	9,000	6,947	6,947	---	---
Tactical Air Control Systems	20,995	18,000	20,995	18,000	-2,995	-2,995
Airborne Warning and Control System (AWACS)	110,737	105,000	85,000	105,000	-5,737	+20,000
Advanced Communications Systems	34,549	30,000	34,549	30,000	-4,549	-4,549
Tactical Air Intelligence System Activities	1,950	1,950	1,950	1,950	---	---
Tactical Reconnaissance Imagery and Exploitation	1,142	1,142	1,142	1,142	---	---
Base Communications - Tactical Air Forces	---	---	---	---	---	---
Joint Tactical Communications Program (TRI-TAC)	15,872	10,000	10,000	10,000	-5,872	---
NMCS-Wide Support - Communications	---	---	---	---	---	---
Satellite Communications Terminals	23,783	20,396	14,000	14,000	-9,783	---
Electronic Combat Intelligence Support	1,622	---	---	---	-1,622	---
MAC Command and Control System	10,002	8,000	10,002	8,000	-2,002	-2,002
Special Operations Forces	109,487	116,387	79,640	90,000	-19,487	+10,360
A-7 Squadrons (ANG)	63,220	60,200	63,220	56,200	-7,020	-7,020
A-7 Strikefighter	---	---	---	---	---	---
Tactical Aircraft	---	---	133,044	---	---	-133,044
Classified Programs	785,305	767,241	680,841	785,305	---	+104,464
Consolidated EW Programs	---	199,485	176,351	---	---	-176,351
Total, Tactical Programs	4,547,154	4,413,809	3,913,604	3,709,950	-837,204	-203,654

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Intelligence & Communications						
Space Communications	---	---	---	---	---	---
Defense Satellite Communications System	21,398	21,398	19,398	21,398	---	+2,000
Long-Haul Communications (DCS)	5,154	5,154	5,154	5,154	---	---
Inter-Service/Agency Automated Message Processing Exch	1,296	1,296	---	1,296	---	+1,296
Electromagnetic Compatibility Analysis Center (ECAC).	8,132	8,132	8,132	8,132	---	---
Traffic Control, Approach, & Landing System (TRACALS).	12,095	23,000	25,995	14,300	+2,205	-11,695
NAVSTAR Global Positioning System (User Equipment)	45,801	40,400	35,000	40,400	-5,401	+5,400
NAVSTAR Global Positioning System (Space and Control).	26,309	26,309	26,309	26,309	---	---
General Intelligence Skill Training	---	---	---	---	---	---
Classified Programs	2,157,227	1,985,827	2,006,427	1,928,127	-229,100	-78,300
Total, Intelligence & Communications	2,277,412	2,111,516	2,126,415	2,045,116	-232,296	-81,299
Defensewide Mission Support						
Space Test Program	90,197	70,197	50,197	50,197	-40,000	---
Satellite Systems Survivability	3,277	3,277	8,577	3,277	---	-5,300
NATO Research and Development	---	---	---	---	---	---
Advanced Aerial Target Development	9,886	9,886	9,886	9,886	---	---
Flight Simulator Development	61,701	57,000	61,701	57,000	-4,701	-4,701
Variable In flt Test Acft (VISTA)	---	---	---	---	---	---
R&M Maturation/Technology Insertion	20,365	20,365	15,000	15,000	-5,365	---
Weather Systems - Eng Dev	12,537	12,537	12,537	12,537	---	---
Range Improvement	69,560	64,000	56,000	64,000	-5,560	+8,000
Electromagnetic Radiation Test Facilities	5,942	5,942	5,942	5,942	---	---
Improved Capability for Development Test & Evaluation.	64,663	55,000	50,000	55,000	-9,663	+5,000
Project Air Force	19,106	22,106	16,106	22,106	+3,000	+6,000
Acquisition & Command Support (ACS) - telecomm	---	---	---	---	---	---
Ranch Hand II Epidemiology Study	5,777	5,777	5,777	5,777	---	---
Navigation/Radar/Sled Track Test Support	24,194	24,194	24,194	24,194	---	---
Acquisition and Command Support	---	---	---	---	---	---
Test and Evaluation Support	304,839	296,000	300,000	291,000	-13,839	-9,000
Advanced Systems Engineering/Planning	25,376	15,000	13,604	13,144	-12,232	-460
DYCOMS	12,340	10,000	---	10,000	-2,340	+10,000
RDT&E Aircraft Support	59,034	50,000	45,000	50,000	-9,034	+5,000
Productivity Investments	---	---	---	---	---	---
Product Performance Agreement Center	---	---	---	---	---	---
Real Property Maintenance - RDT&E	79,702	74,702	74,702	74,702	-5,000	---
Base Operations - RDT&E	62,152	57,152	57,152	57,152	-5,000	---
Satellite Control Facility	109,531	90,000	76,531	90,000	-19,531	+13,469
Space Boosters	246,641	246,641	246,641	246,641	---	---
Consolidated Space Operations Center	50,020	44,000	40,020	40,020	-10,000	---
Defense Meteorological Satellite Program (DMSP)	56,181	54,000	34,681	51,000	-5,181	+16,319
Space Shuttle Operations	86,554	86,554	56,954	70,954	-15,600	+14,000
Inventory Control Point Operations	4,346	4,346	4,346	4,346	---	---
Depot Maintenance (Non-IF)	998	---	---	---	-998	---
Industrial Preparedness	94,967	94,967	85,000	94,967	---	+9,967
Productivity, Reliability, Availability, Maintain	19,560	19,560	19,560	14,763	-4,797	-4,797
International Activities	3,123	3,123	3,123	3,123	---	---
Airforce Electronic Warfare Programs	---	---	---	183,250	+183,250	+183,250
R&D Civilians End-Strength Cap	---	---	---	-17,960	-17,960	-17,960
Total, Defensewide Mission Support	1,602,569	1,496,326	1,373,231	1,602,018	-551	+228,787
Advanced Launch System	---	---	150,000	---	---	-150,000
Non Acoustic ASW	---	15,000	15,000	10,000	+10,000	-5,000
Conventional Defense Initiatives						
Classified Aircraft Program	---	---	35,000	---	---	-35,000
Advanced Tactical Transport	---	1,000	---	---	---	---
Popeye	---	8,000	8,000	---	---	-8,000
Activated Metals	---	600	---	---	---	---
Total, Conventional Defense Initiatives	---	9,600	43,000	---	---	-43,000

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Consultants, Studies & Analyses	---	---	---	---	---	---
Prior Year Fuel Savings	---	---	---	---	---	---
FY 87 Fuel Savings	---	---	---	---	---	---
FY 86/87 Inflation Repricing	---	---	---	---	---	---
RDT&E Profit Policy Adjustment	---	---	---	---	---	---
Civilian Pay Raise	---	---	---	---	---	---
General Reduction, Special Access	---	---	-100,000	---	---	+100,000
General Reduction, Classified	---	-45,600	---	---	---	---
General Reduction	---	---	---	---	---	---
General Reduction, PY Savings	---	-16,300	---	---	---	---
(By transfer)	---	(16,300)	---	---	---	---
Pay/Fers Supplemental	---	---	---	---	---	---
FERS Adjustment	---	---	-3,694	---	---	+3,694
Total, Research Developement Test & Eval, AF	18,623,383	16,861,976	16,119,705	14,322,604	-4,300,779	-1,797,101
Transfer from other accounts	---	(16,300)	---	---	---	---
Total funding available	18,623,383	16,878,276	16,119,705	14,322,604	-4,300,779	-1,797,101

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

1987 appropriation	$6,822,371,000
1988 budget estimate	8,811,532,000
House allowance	6,198,116,000
Committee recommendation	7,656,566,000

The Committee recommends an appropriation of $7,656,566,000 for research, development, test and evaluation programs of the Defense Agencies, a reduction of $1,154,966,000 to the budget request for fiscal year 1988. The recommendation is $1,458,450,000 above the House allowance.

SUMMARY TABLE

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Technology base	923,854	907,880	1,012,689	+88,835
Advanced technology development	5,574,808	2,895,015	4,219,120	-1,355,688
Strategic programs	86,345	86,345	86,345	
Tactical programs	167,315	145,089	153,839	-13,476
Intelligence and communications	1,732,383	1,705,873	1,678,283	-54,100
Defensewide mission support	326,827	342,036	489,790	+162,963

The budget activities and programs funded under this appropriation are discussed below.

AUTHORIZATION ADJUSTMENTS

The Committee recommends the following adjustments to the budget request based on authorization actions:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
University research initiatives	24,570			-24,570
Integrated C^2 technology	36,435	36,435	32,000	-4,435
Materials/electronics technology	27,606	27,606	25,000	-2,606
Nuclear monitoring	20,363	20,363	25,000	+4,637
Joint DOD-DOE munitions technology development	8,617	7,617	20,000	+11,383
Strategic relocatable targets	6,700	6,700	5,000	-1,700
Special operations, special technology office	11,354	12,354	8,354	-3,000
Microwave/millimeter wave monolithic integrated circuits	49,181	46,181	46,181	-3,000
Computer aided logistics support	12,978	12,978	10,000	-2,978
Balanced technology initiative			300,000	+300,000
DOD software initiative (STARS)	27,953	24,953	24,953	-3,000
JTIDS	91,226	75,000	85,000	-6,226

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
C^3 interoperability (Joint Tactical C^3 Agency)	67,715	61,715	61,715	-6,000
NATO R&D	58,825	58,825	200,000	+141,175
Foreign material acquisition and exploitation	13,911	10,000	10,000	-3,911
Management headquarters (Joint Tactical C^3 Agency)	6,250	6,250	5,000	-1,250
Management headquarters (SDI)	22,000	17,000	17,000	-5,000

COMMITTEE RECOMMENDED ADJUSTMENTS

The fiscal year 1988 budget request included programs which: (*a*) contained unjustifiably large increases compared to amounts appropriated in fiscal year 1987, or (*b*) represent basic generic RDT&E functions not associated with specific program requirements, or (*c*) lacked convincing military rationale to merit requested funding in the present constrained fiscal environment. Accordingly, the Committee recommends the following adjustments:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Change from budget
Defense Nuclear Agency	363,032	299,121	327,013	-36,019
Technical support to USDR&E	25,767	17,467	17,567	-8,200
General support for PA&E	3,213	2,213	2,213	-1,000
General support for policy	7,369	6,269	5,556	-1,813
General support for net assessment	4,420	3,570	3,570	-850
General support for FM&P	2,105	1,555	1,555	-550
Technical support to USDRE (critical technology)	3,824	3,224	3,224	-600
General support for C^3I	2,691	2,591	2,391	-300
General support for A&L	3,248	2,598	2,598	-650
Defense Technical Information Center	28,085	19,785	21,000	-7,085
IR focal plane array	44,119	44,119	2,000	-42,119
Management headquarters (R&D)	14,558	13,558	12,200	-2,358

JOINT/MULTISERVICE PROGRAMS

As addressed in the introduction to the RDT&E section of this report, the Committee has recommended creation of joint programs for remotely piloted vehicles [RPV] and standoff weapons in the Office of the Secretary of Defense [OSD], and of consolidated programs in each service for electronic warfare [EW] activities. The Committee's objective is to encourage better coordination, management, and priority-setting among these now separate programs and to eliminate wasteful duplication.

Accordingly, the Committee recommends an appropriation for the Joint RPV Program of $50,291,000, a reduction of $52,610,000 from the combined, separate budget requests for RPV's among all the military services. The Committee also recommends an appropriation for the Joint Standoff Weapons Program of $58,246,000, a reduction of $59,150,000 from the combined budget requests for the relevant weapons.

Full elaboration of the RPV's and weapons affected by these recommendations, and of the Committee's expectations regarding the future management of these joint programs and of the consolidated EW programs in each service, was provided previously in the RDT&E introduction.

ADDITIONAL MAJOR PROGRAM ADJUSTMENTS AND SPECIAL INTEREST ITEMS

The Committee recommends the following additional adjustments to the budget request, along with recommendations and observations about several special interest items:

University research initiatives [URI].—The Committee recommends an appropriation of $92,778,000 for a university research program managed by the Office of the Secretary of Defense for increased coordination and maximum efficiency. This organizational approach includes elimination of the separate requests for URI funding by each of the armed services, and is the approach established in the conference report on the Fiscal Year 1988 Defense Authorization Act. The Committee's recommendation fully funds the combined service budget requests for URI and is $12,778,000 above the House allowance. The House allowance also follows the authorization act organizational approach.

Strategic technology.—The Committee recommends an appropriation of $293,000,000, an increase of $59,040,000 to the budget request for priority projects by the Defense Advanced Research Projects Agency [DARPA]. The Committee recommends that $35,000,000 of the additional funds provided is available only for a DARPA prototyping initiative to explore development of lighter-weight, less expensive satellites and rocket boosters. These lightsat booster and satellite combinations are intended primarily for tactical applications and increased responsiveness to the needs of operational field commanders in the areas of command/control/communications, intelligence, and electronic warfare.

The Committee recommends that $19,040,000 of the additional funds are available only for an innovative manufacturing technology initiative in DARPA's Strategic Computing Program, of which $13,000,000 is available only for the Concurrent Design and Assembly Science and Technology Program. The Committee is aware of DARPA's activities in the areas of concurrent life-cycle design and flexible assembly of electromechanical systems, and in processing and fabrication concepts for ceramics, high temperature composites, and low-cost-microelectronics manufacturing. These activities have the potential to contribute significantly to improving our military and civilian industrial base, and the Committee's recommendations in this area are based on these considerations.

The Committee further recommends that the remaining $5,000,000 in additional funds is available only for a DARPA-sponsored program in advanced information processing technologies, including parallel processing.

Finally, the Committee recommends that of the funds provided DARPA in the Strategic Technology Program, the Lode Star project must be fully funded at the level proposed in the original fiscal year 1988 budget request.

The House allowance provided $201,822,000, a reduction of $32,128,000 to the budget request, for the Strategic Technology Program, and added $5,000,000 elsewhere to the budget request for the DARPA project in advanced information processing technologies.

Tactical technology.—The Committee strongly endorses the DP-2 Vector Thrust Program under development at DARPA. From within the funds provided in this line, $3,000,000 may only be used for the Vector Thrust Program.

Strategic defense initiative [SDI].—The Committee recommends an appropriation of $3,604,000,000, a reduction of $1,594,793,000 to the budget request, for SDI. The Committee's recommendation still provides the SDI program with 6 percent real growth above fiscal 1987 SDI spending well above even the nominal growth provided the total RDT&E account for fiscal 1988. The Committee's recommendation is based on the requirements to accommodate overall defense budget constraints and to fund adequately many other priority strategic and conventional programs.

Within the funds provided to SDI for fiscal year 1988, the Committee also makes the following allocations: (*a*) not less than $210,000,000 is available only for the boost surveillance and tracking system [BSTS]; (*b*) not less than $150,000,000 is available only for the advanced launch system [ALS] heavy lift rocket program under Air Force management, of which not less than $70,000,000 shall be transferred to the National Aeronautics and Space Administration [NASA] for ALS propulsion activities; (*c*) not less than $75,000,000 is available only for antitactical ballistic missile [ATBM] research and development as part of the Army's Theater Missile Defense Program; (*d*) not less than $31,600,000 is available only for exploring the antisatellite potential of the Eximer mid-range laser device [EMRLD] and related technologies as part of the Air Force's Advanced Radiation Technology Program; and (*e*) not less than $15,000,000 is available only for research on the free electron medical laser. The Committee is recommending bill language to make these allocations. Of the $15,000,000 allocated for free electron medical laser activities, the Committee recommends that $2,000,000 is available only to develop, through existing programs at scientific and medical research institutions, lightweight miniaturized proton accelerators for medical diagnostic purposes.

The Committee also is recommending a statutory provision setting forth principles to guide the future of the strategic defense initiative.

Anticipating the visit of Soviet General Secretary Mikhail Gorbachev to the United States, the provision urges consensus between the President and the Congress on national security goals in order to present a unified negotiating posture on the arms reduction talks.

The adopted provision advocates a sustained SDI research program to provide additional options for potential U.S. responses to future Soviet threats. It also calls for SDI's future budgets to conform to realistic projections of available defense resources and to place primary emphasis on new technologies with long-term potential against responsive Soviet threats.

As explained earlier, the Committee is recommending a statutory provision relating to the advanced launch system.

Finally, the Committee decided to seek additional information about matters raised in the context of the Milestone I decision to permit six SDI technologies to enter a demonstration/validation phase.

The Milestone I decision on six SDI technologies was based in part on the letter report of the Strategic Defense Milestone Panel dated August 13, 1987. That final report raised a number of matters requiring further study, including the desirability of proceeding with a two-sided ballistic missile defense [BMD] deployment and the need for additional work on system design and certain specified technologies. The Committee expects the Strategic Defense Initiative Organization [SDIO] to provide a status report on these matters identified in the panel's report.

BSTS.—The Committee is aware that BSTS is being developed for both an ongoing Air Force mission and new SDI missions. According to the unclassified USAF fiscal year 1988 report to the Congress, BSTS is one of the most critical near-term SDI programs for the Air Force, and would provide missile early warning. The SDI Organization in OSD has described in unclassified terms the BSTS SDI mission as "detects, tracks, counts, and identifies the types of ballistic missiles in an attack * * *. The major functions BSTS performs to execute its mission for SDI are surveillance, detection, acquisition, tracking, typing, kill assessment, communications, and battle management."

The Committee believes that it would be useful for Congress to be informed which specific funding and specific components of the joint BSTS program are directed toward meeting the ongoing Air Force mission and the new SDI missions. Accordingly, the Committee expects that no later than February 1, 1988, the Secretary of Defense shall submit to the Congress a report which identifies between fiscal year 1989–96 the separate funding and components of the BSTS program associated with developing the capabilities to meet the ongoing Air Force mission and the new SDI missions. In addition, this report shall include:

(a) The current (1988) and future (1995–2000) requirements for a space-based system to meet all aspects of the ongoing Air Force mission planned for BSTS, independent of any new SDI requirements, together with the annual costs and schedule to develop such an Air Force-only system;

(b) An evaluation of the current Air Force system to meet these requirements, together with the annual costs and schedule of any modifications that may be necessary to meet these requirements;

(c) The new SDI mission requirements for BSTS which are in addition to the Air Force-only requirements, and the characteristics and performance capabilities of a BSTS system required to meet both the Air Force and SDI mission requirements, including how, specifically, it would differ from a BSTS system developed to meet only the present Air Force mission, and the annual costs and schedule to develop such a combined system; and

(d) the separate hardware and software developments associated with each system.

The Committee also is concerned about the presently structured, dual-mission BSTS development program, given likely defense spending prospects and their impact on the SDI program. It is unwise to expect that sufficient SDI funds will be available in the future to fully support development of a dual-mission BSTS system. Therefore, the Committee believes that the scope and schedule of the BSTS program should not be inextricably linked to SDI.

The Committee recommends that a BSTS program be structured which permits development of a less-costly BSTS system designed to meet the Air Force-only mission regardless of future SDI funding levels, and that this program option be submitted with the fiscal year 1989 budget revision to permit its consideration by Congress. The Committee believes it is early enough in the BSTS development program to consider this restructuring without risking any more delay to the program than might occur due to likely changes in the SDI funding profile.

Advanced launch system.—The primary reasons for the Committee's recommendation with respect to the ALS program are contained in the introduction to the RDT&E section. However, the Committee would like to emphasize in this section that the terms and conditions it regards as binding on any ALS-related funds in this bill include those contained in the joint explanatory statement of the committee of conference on Public Law 100–71, the Fiscal Year 1987 Supplemental Appropriations Act. The Committee further expects that for the purposes of this bill, the terms and conditions of the joint explanatory statement also shall apply to any ALS variant, regardless of designation and launch cost reduction goal, developed principally by the Defense Department. The Committee is concerned about the extent of Air Force and OSD compliance with the ALS-related provisions of the supplemental and of its joint explanatory statement. The Committee intends that the launch cost reduction criteria codified in the fiscal 1987 supplemental and endorsed in the joint explanatory statement shall apply to any interim or transition ALS, and that the Air Force and Defense Department shall not develop any ALS system not meeting these criteria, regardless of its designation.

Experimental evaluation of major innovative technologies.—The Committee recommends an appropriation of $162,024,000, a reduction of $83,600,000 from the budget request, for this DARPA program. The Committee's reductions terminate a failed program and transfer the long-range interceptor experiment [loraine] funds to a joint DARPA-Air Force-Navy program on hypersonic weapons research. Further details about the reductions are explained in the classified annex to the Committee's report.

Hypersonic weapon technology.—The Committee recommends an appropriation of $25,000,000, a reduction of $17,000,000 to the budget requests for separate hypersonic weapons research programs in the Air Force, Navy, and DARPA, to consolidate these efforts into a new DARPA program intended to eliminate duplication of efforts. The Committee's recommendation is consistent with authorization action and is the same as the House allowance.

Semiconductor manufacturing technology and related activities.—The Committee recommends an appropriation of $65,000,000, an increase of $15,000,000 above the budget request, for initiatives in semiconductor manufacturing technology research, including Sematech, a joint Government-industry effort to increase U.S. competitiveness in manufacturing semiconductors for both military and civilian purposes. The House provided $100,000,000 for these activities. The Committee further recommends that these initiatives include funding for x-ray lithography techniques and compound semiconductor research, and that the Secretary of Defense decide the appropriate allocations among these efforts. The Committee believes that further increased funding for these initiatives is unwarranted at this time given overall budget constraints, the incomplete nature of Sematech's basic organizational planning, and such unresolved issues as: (*a*) the extent of direct access by independent Government auditors, including the General Accounting Office [GAO], to enough information for sufficient accountability for taxpayer dollars, (*b*) the role of foreign-owned, U.S.-based semiconductor firms and of overseas manufacturing subsidiaries of American semiconductor corporations, the ability of Sematech to purchase non-U.S. semiconductor commodities if equal quality, U.S. products are available, and whether Sematech members with technical exchange or other agreements with foreign firms can transfer to those firms the results of Sematech activities; (*c*) the participation of semiconductor firms not belonging to Sematech, (*d*) the relationship of Sematech to other proposals for Government-funded semiconductor research and semiconductor manufacturing technology efforts, and (*e*) the specific roles of the defense and nondefense national laboratories in semiconductor research and semiconductor manufacturing technology research, and the relationship of these specific efforts to Sematech.

The Committee is aware that Sematech still lacks a finished technical proposal as to how specifically the Federal funds would be used and that selection of the consortium's chief executive officer and facility location still is pending.

The Committee feels that these fundamental scientific, technological, and management issues surrounding Sematech and other proposed expansions to Federal semiconductor activities should be resolved before millions of additional dollars are committed.

Accordingly, the Committee has recommended a statutory provision which restricts the obligation and expenditure of any Federal funds intended for Sematech until after the Secretary of Defense submits to the Committees on Appropriations a report addressing these issues and containing a copy of the memorandum of understanding [MOU] between him and Sematech which defines the rights, obligations, and responsibilities of industry and the Federal Government in this joint endeavor. The provision requires submittal of this report no later than March 31, 1988. The Committee expects that any MOU signed by the Defense Secretary will include, at a minimum: (*a*) provision for direct access by the General Accounting Office and the Department of Defense inspector general to sufficient information about Sematech operations and expenditures to ensure full accountability for Federal funds; and (*b*) a ban on U.S. semiconductor firms participating in Sematech from using the developed technologies in any overseas manufacturing operation.

The Committee also requests that in addition to addressing the above-mentioned issues, the initial report from the Secretary of Defense include a comprehensive description of all Federal Government activities in semiconductor research and semiconductor manufacturing technology research, and the projected annual funding, by department and agency, for these activities in fiscal years 1988–93. The Committee also wishes to be informed as to the adequacy of Federal funding support for x-ray lithography and compound semiconductor research activities and about what impact expanded levels of support for these activities might have on improving our national defense posture.

Balanced technology initiative [BTI].—The Committee recommends an authorized appropriation of $300,000,000 above the budget request to fund enhanced research to improve U.S. conventional war fighting capabilities.

Congress established the BTI last year to ensure that sufficient RDT&E resources would be available to address the most critical conventional deficiencies in the U.S. defense posture. As established, the BTI program was to involve measures to strengthen the defense technology base, conduct research on advanced conventional warfare technologies (with the goal of making major technological progress to overcome existing quantitative and qualitative imbalances between the United States and the Soviet Union), and carefully examine available weapons systems developed by United States allies.

The Committee notes that, in certain cases, BTI resources have been devoted to lower priority research programs which have been unable to obtain sufficient funding through the normal, internal Defense Department budget allocation process. The Committee believes these allocations contradict the purposes of the BTI program, and recommends that OSD exercise greater precision in these matters in the future. The

Committee will condition its future receptivity to funding BTI on the cessation of this practice.

In addition, the Committee understands that BTI funds have been allocated to specific programs without apparent regard for whether the programs duplicate other ongoing programs in the same areas. The Committee expects that the use of BTI funds will be coordinated fully, in advance, by the Secretary of Defense with other programs, and especially with those being conducted under the auspices of the NATO and non-NATO cooperative R&D programs, the NATO comparative testing and foreign weapons evaluation programs, conventional defense initiatives programs, service consolidated electronic warfare programs and the joint remotely piloted vehicles and standoff weapons programs. The Committee expects that the joint RPV and standoff weapons program offices will make the final decisions whether BTI funds should be allocated for any particular activities in their respective areas. The Committee does not intend for BTI to contribute in any way to the duplication which already exists among certain defense RDT&E programs.

The House allowance contains no funds for the BTI program.

NATO cooperative research and development.—The Committee recommends an appropriation of $200,000,000, an authorized increase of $141,175,000 to the budget request, to maintain and expand joint RDT&E programs with our NATO allies. The purpose of this program is to maximize the military benefits of the limited defense resources available to the United States and its allies by eliminating duplicative RDT&E efforts and by increasing commonality of military equipment within NATO.

The Committee also believes these benefits should be pursued among the United States and its major, non-NATO allies, all of whom share the NATO objective of deterring aggression and promoting stability in their respective areas of the world. The Committee believes that the major non-NATO allies—Israel, Egypt, Australia, South Korea, and Japan—have the potential to make substantial contributions in selected areas of defense technology.

The Fiscal Year 1988 Defense Authorization Act created a cooperative RDT&E program—similar to the NATO-oriented effort—with the major non-NATO allies. Therefore, the Committee recommends that $15,000,000 of the funds provided for the NATO cooperative program is available only to explore worthwhile joint development efforts with these five nations. The Committee recognizes that worthwhile, potential joint programs already have been identified with most of these nations.

Last, the Committee expects that any projects sponsored by the NATO and non-NATO cooperative R&D programs will be coordinated fully with the joint program offices recommended by the Committee to oversee the remotely piloted vehicles [RPV] and standoff weapons efforts of the armed services, and with the consolidated electronic warfare programs and all the various armor programs within the Defense Department in each service. With respect to the joint RPV and standoff weapons programs, the Committee expects the joint program offices to exercise authority over the proposed cooperative R&D projects in their respective areas.

The House allowance includes $58,825,000 budget request for the NATO cooperative R&D program, without provision for joint efforts with the U.S. major, non-NATO allies.

Environmental hazards research.—The Committee recommends an appropriation of $16,500,000 above the budget request to enable the Department of Defense to strengthen its current research efforts in developing technologies aimed at protecting health and the environment from the hazardous substances it generates and uses. The Committee is concerned that the operation and maintenance of equipment and weapon systems, defense production plant environments, and accidents and leaks involving hazardous substances pose a long-term threat to health and the environment. Furthermore, the effects on the environment and on civilian populations of waste generated on military bases threaten the Department of Defense with potential future liability.

The Committee believes it is in the interest of national defense to establish an essential bioenvironmental hazards research capability. The Committee also is interested in seeing the Department meet its contract goal for minorities as delineated in section 1207 of Public Law 99–661.

The Committee agrees that the additional funding shall be used in a collaborative effort between a historically black university and a major research university for interdisciplinary bioenvironmental hazards research activities, for associated facilities, and for other related purposes.

The historically black university should have an existing strength in pharmacology and the major research university must have engineering and natural sciences programs and a medical school that has a well-established reputation in bioenvironmental hazards research.

The Committee recommends bill language to allocate the funds for this environmental hazards research. The House allowance provides for the same amount of funding, and in the same manner.

Critical technology analysis.—The Committee recommends an appropriation of $14,200,000, an increase of $10,000,000 to the budget request. These funds are made available only to continue the microelectronics replacement parts research and development as provided in section 9124 of Public Law 99–591 to provide a long-term, economically viable solution to the supply of obsolete military replacement parts. The House allowance provided $2,381,000, a reduction of $1,819,000 from the budget request, for this program.

Civilian personnel overhead savings and civilian headquarters reduction.—The Committee recommends a reducton of $22,058,000 to take advantage of savings available in the Defense Agencies RDT&E personnel account and expects that these savings will be accomplished without end strength reductions or furloughs. The Committee also recommends a reduction of $6,340,000 to this account to bring the research and development component of the Defense Agencies into compliance with the DOD Reorganization Act of 1986, which mandated that headquarters end strengths be returned to the fiscal year 1986 level, minus 5 percent.

Studies and analysis/contract support, Office of the Secretary of Defense.—The Committee recommends a reduction of $8,915,000 from the amount requested for studies and analysis and other contract support for the Office of the Secretary of Defense in fiscal year 1988. This reduction would reduce the amount of real growth provided for these purposes from the requested 22 percent to 3 percent, due to overall budget constraints.

Classified programs.—The Committee recommends a reduction totaling $54,100,000 from various classified programs. These reductions are discussed in the classified annex to the Committee's report.

Defense Nuclear Agency [DNA].—In accordance with its new charter, DNA will pursue applications to tactical nonnuclear DOD problems. These activities could include programs such as armor/antiarmor, mine/countermine, and other conventional defense initiatives, and should be coordinated fully, through a central focal point in the Office of the Secretary of Defense, with other Defense and Energy Department activities in these areas to prevent duplication.

The Committee believes that DNA research, applying technology initially developed for nuclear simulation, could produce results which may have a significant impact on the tactical battlefield. For example, with modest investments, DNA already has provided proof of principle and proof of technology for an electric arc system capable of detecting and avoiding or destroying mines; an advanced armor that uses electrical energy to disrupt antiarmor warheads; a tactical electromagnetic gun soon to be integrated into an armored vehicle; and a high power microwave source capable of attacking enemy electronics. All of these examples have been made possible by the significant advances made by DNA in compact, lightweight storage of electrical energy.

The Committee supports these efforts by DNA and encourages the Department of Defense to continue these and other efforts to apply DNA emerging technologies to the tactical battlefield. Accordingly, the Department should consider establishing an annual goal for the allocation of a specific percentage of DNA's research budget for tactical battlefield applications as long as this allocation does not interfere with the ability of the agency to perform its nuclear-related responsibilities.

Stirling engines.—The Committee understands that a Stirling engine has now completed over 1,100 hours of testing in an Air Force van. These tests have included the use of three different fuels, and operations by flightline personnel. The Committee requests that the Office of the Secretary of Defense complete a study of other military applications of Stirling engines to include generator sets, remotely piloted underwater vehicles, and general-purpose, noncombat-related vehicles. This study is to be completed no later than March 31, 1988.

Military immunological research.—The Committee requests the Assistant Secretary of Defense (Health affairs) to assess the adequacy of ongoing Department efforts to study and improve the immune systems of soldiers experiencing the physical and psychological stress of combat, and attack by irradiation and immunotoxicants, and to provide recommendations whether enhanced efforts in this area with respect to studying the immune systems of domestic animals could contribute to increasing protection against such medical threats to U.S. military personnel. In conducting this study, the Assistant Secretary should address the advisability of establishing a national center for immunity enhancement as part of any expanded efforts in this area.

Military fiber optic initiatives.—The Committee notes with interest the programs sponsored by the armed services to develop and exploit fiber-optics technology for battlefield applications. The technology offers broad promise of effective utilization for man-in-the-loop guidance of munitions, remote operation of platforms, and various command, control, and communications functions. The Committee believes that a joint effort is warranted now, in the early engineering stages of these programs, to minimize duplication and ensure unified development of any similar requirements among the military services.

The Committee also is concerned that this technology has not yet been demonstrated under realistic battlefield conditions, including assessments of fiber-optic durability in tactical, live-fire environments. Accordingly, the Committee expects the Secretary of Defense to ensure that these issues are properly addressed through establishment of the appropriate oversight structure within his office, and through conduct of realistic battlefield tests of fiber-optic technologies at the earliest opportunity.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

1987 appropriation	$105,546,000
1988 budget estimate	178,217,000
House allowance	192,410,000
Committee recommendation	169,337,000

The Committee recommends an appropriation of $169,337,000, a reduction of $8,880,000 from the budget request for developmental test and evaluation. The House allowance provided $192,410,000, an increase of $14,193,000 above the budget request.

The Committee recommended a reduction of $500,000 from the $2,000,000 requested for the Space System Test Capabilities Program based on authorization action, and a reduction of $8,380,000 from the budget request of $49,204,000 for the NATO Cooperative Development Testing Program. With respect to the NATO-related program, the Committee's recommendation consists of $5,000,000 which was identified as unnecessary to fund priority projects and $3,380,000 which is available due to a carryover into fiscal year 1988 of an equal amount of unused funds from the preceding fiscal year.

The House provided the same funding for the Space System Test Capabilities Program and the full budget request for the NATO-related program.

The Committee expects that any foreign weapons and military systems evaluated under the NATO Cooperative Development Testing Program and the Foreign Weapons Evaluation Program will be tested only after full coordination, in advance, by the Secretary of Defense with ongoing U.S. programs in the same areas. The Committee expects that the joint RPV and standoff weapons programs it is recommending will decide which particular foreign RPV and standoff weapons systems will be evaluated under these developmental/operational testing programs.

The Committee also provided the full funding requested for fiscal year 1988 for the identification, friend, foe, or neutral [IFFN] test bed. The Committee expects that no more than $8,300,000 of the funds provided for IFFN will be obligated or expended before March 30, 1988, unless recommended otherwise earlier by the Committee, to permit the chairman of the Defense Test and Evaluation Council to decide whether he can certify to the Committee that IFFN is cost effective and should be continued. The Committee imposed this certification requirement when it approved a reprogramming for IFFN in April. The Committee requires adequate time to consider the test director's certification, if it is forthcoming, and the Committee expects his recommendation to be submitted no later than January 30, 1988.

OPERATIONAL TEST AND EVALUATION, DEFENSE

1987 appropriation	$11,300,000
1988 budget estimate	104,221,000
House allowance	57,221,000
Committee recommendation	83,221,000

The Committee recommends an appropriation of $83,221,000, a reduction of $21,000,000 from the budget request, to begin a program to improve the operational testing capabilities of the Department of Defense. The Committee's reduction reduces the requested real growth to a more manageable level and defers the development of a lower priority simulator.

The House allowance provided $57,221,000, a decrease of $47,000,000 to the budget request.

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Research Development Test & Eval Def Ag						
Technology Base						
Defense Research Sciences	84,150	84,150	78,785	84,150	---	+5,365
In-House Laboratory Independent Research	2,532	2,532	2,532	2,532	---	---
University Research Initiatives	24,570	---	---	---	-24,570	---
University Research Initiatives	---	165,000	80,000	92,778	+92,778	+12,778
University Research Instrumentation Program	---	25,000	30,000	---	---	-30,000
Technical Studies	1,700	1,700	1,700	1,700	---	---
Strategic Technology	233,950	288,000	201,822	293,000	+59,050	+91,178
Tactical Technolgy	114,536	114,536	114,536	114,536	---	---
Particle Beam Technology	14,000	14,000	14,000	14,000	---	---
Integrated Command and Control Technology	36,435	32,000	36,435	32,000	-4,435	-4,435
Materials and Electronics Technology	27,606	25,000	27,606	25,000	-2,606	-2,606
Nuclear Monitoring	20,363	25,000	20,363	25,000	+4,637	+4,637
Defense Nuclear Agency	363,032	338,032	299,121	327,013	-36,019	+27,892
Mapping, Charting and Geodesy	980	980	980	980	---	---
Total, Technology Base	923,854	1,115,930	907,880	1,012,689	+88,835	+104,809
Advance Technology Development						
Strategic Defense Initiative (SDI)	5,198,793	3,604,000	2,546,000	3,604,000	-1,594,793	+1,058,000
SDI-Surveillance, Acquisition, Tracking and Kill	(1,492,680)	(1,492,680)	(1,492,680)	(1,492,680)	---	---
SDI-Directed Energy Weapons	(1,103,680)	(1,103,680)	(1,103,680)	(1,103,680)	---	---
SDI-Kinetic Energy Weapons	(1,074,730)	(1,074,730)	(1,074,730)	(1,074,730)	---	---
SDI-Systems Concepts and Battle Management/C3	(627,340)	(627,340)	(627,340)	(627,340)	---	---
SDI-Survivability, Lethality, and Key Support Tech	(900,363)	(900,363)	(900,363)	(900,363)	---	---
SDI-General Reduction	---	(-1,594,793)	(-2,652,793)	---	---	(+2,652,793)
Joint DoD-DoE Munitions Technology Development	8,617	20,000	7,617	20,000	+11,383	+12,383
Experimental Evaluation of Major Innovative Tech	245,624	222,624	189,624	162,024	-83,600	-27,600
Strategic Relocatable Targets	6,700	5,000	6,700	5,000	-1,700	-1,700
National Aero Space Plane Technology Program	---	---	---	---	---	---
Special Operations, Special Technology Office	11,354	8,354	12,354	8,354	-3,000	-4,000
Counter-Insurgency and Special Technology	10,997	10,997	10,997	10,997	---	---
Microwave/Millimeter Wave Monolithic Inte Circuits	49,181	46,181	46,181	46,181	-3,000	---
Computer Aided Logistics Support	12,978	10,000	12,978	10,000	-2,978	-2,978
Conventional Defense Initiative	---	---	---	---	---	---
Balanced Tech Initiative	---	300,000	---	300,000	+300,000	+300,000
DoD Software Initiatives (STARS)	27,953	24,953	24,953	24,953	-3,000	---
Command and Control Research	2,611	2,611	2,611	2,611	---	---
Advanced Torpedo Program	---	10,000	10,000	---	---	-10,000
Hypersonic Weapon Technology	---	25,000	25,000	25,000	+25,000	---
Total, Advance Technology Development	5,574,808	4,289,720	2,895,015	4,219,120	-1,355,688	+1,324,105
Strategic Programs						
Island Sun	50,826	50,826	50,826	50,826	---	---
National Military Command System-Wide Support	10,910	10,910	10,910	10,910	---	---
WWMCCS Systems Engineer	16,004	16,004	16,004	16,004	---	---
Minimum Essential Emergency Communications Network	8,605	8,605	8,605	8,605	---	---
Total, Strategic Programs	86,345	86,345	86,345	86,345	---	---
Tactical Programs						
Joint Tactical Information Distribution System (JTIDS)	91,226	85,000	75,000	85,000	-6,226	+10,000
CINC C2 Initiatives	2,124	2,124	2,124	2,124	---	---
C3 Interoperability (Joint Tactical C3 Agency)	67,715	61,715	61,715	61,715	-6,000	---
Management Headquarters (Joint Tactical C3 Agency)	6,250	5,000	6,250	5,000	-1,250	-1,250
Total, Tactical Programs	167,315	153,839	145,089	153,839	-13,476	+8,750

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recom-mendation (4)	Senate compared to—	
					Budget estimate (5)	House allowance (6)
Intelligence & Communications						
Mapping, Charting, Geodesy Invest, & Prototype Dev....	12,168	12,168	12,168	12,168	---	---
Mapping, Charting, and Geodesy Eng Dev & Test.........	3,782	3,782	3,782	3,782	---	---
Long-Haul Communications (DCS)........................	16,969	16,969	16,969	16,969	---	---
Support of the National Communications System.........	3,673	3,673	3,673	3,673	---	---
DMA Exploitation Modernization Program................	293,661	293,661	278,661	293,661	---	+15,000
Defense Reconnaissance Support Activities.............	4,814	4,814	4,814	4,814	---	---
Defense Reconnaissance Support Activities.............	143,371	143,371	235,471	143,371	---	-92,100
Airborne Reconnaissance Support Program (ARSP)........	---	87,100	---	---	---	---
Classified Programs...................................	1,253,945	1,218,963	1,150,335	1,199,845	-54,100	+49,510
Total, Intelligence & Communications................	1,732,383	1,704,501	1,705,873	1,678,283	-54,100	-27,590
Defensewide Mission Support						
Semiconductor Manufacturing Technology................	50,000	100,000	100,000	65,000	+15,000	-35,000
NATO Research and Development.........................	58,825	200,000	58,825	200,000	+141,175	+141,175
Technical Support to USDR&E...........................	25,767	17,567	17,467	17,567	-8,200	+100
General Support for PA&E..............................	3,213	2,213	2,213	2,213	-1,000	---
General Support for Policy............................	7,369	6,269	6,269	5,556	-1,813	-713
General Support for Net Assessment....................	4,420	3,570	3,570	3,570	-850	---
General Support for FM&P..............................	2,105	1,555	1,555	1,555	-550	---
Technical Support to USDRE--Critical Technology.......	3,824	3,224	3,224	3,224	-600	---
Rand Research Center for OSD and JCS..................	16,515	16,515	16,515	16,515	---	---
BLACK LIGHT...	4,000	4,000	4,000	4,000	---	---
General Support to C3I................................	2,691	2,391	2,591	2,391	-300	-200
Foreign Material Acquisition and Exploitation.........	13,911	10,000	10,000	10,000	-3,911	---
General Support for A&L...............................	3,248	2,598	2,598	2,598	-650	---
Critical Technology Analysis..........................	4,200	5,200	2,381	14,200	+10,000	+11,819
Defense Technical Information Center..................	28,085	25,085	19,785	21,000	-7,085	+1,215
Information Analysis Centers..........................	6,786	6,786	5,175	6,786	---	+1,611
Productivity Investments..............................	2,000	2,000	2,000	2,000	---	---
Management Headquarters (SDI).........................	22,000	17,000	17,000	17,000	-5,000	---
Management Headquarters (R&D).........................	14,558	14,558	13,558	12,200	-2,358	-1,358
IR Focal Plane Array..................................	44,119	14,119	44,119	2,000	-42,119	-42,119
Industrial Preparedness...............................	8,700	8,700	8,700	8,700	---	---
Technology Transfer Functions.........................	491	491	491	491	---	---
Undistributed Reduction - Studies & Analysis/Contract Support Services, Ofc. of the Secy. of Defense......	---	---	---	-8,915	-8,915	-8,915
Civilian HQ Reductions................................	---	---	---	-6,340	-6,340	-6,340
Civilian Personnel Overhead Savings...................	---	---	---	-22,058	-22,058	-22,058
Joint Standoff Weapons Program........................	---	---	---	58,246	+58,246	+58,246
Joint Remotely Piloted Vehicles Program...............	---	---	---	50,291	+50,291	+50,291
Total, Defensewide Mission Support..................	326,827	463,841	342,036	489,790	+162,963	+147,754
LANDSAT...	---	15,000	10,000	---	---	-10,000
RPV Competition.......................................	---	32,000	---	---	---	---
MAN TECH - Guided Ordnance............................	---	2,500	---	---	---	---
Computer Microcircuit Testing.........................	---	1,000	---	---	---	---
Metalurgy Research (DARPA)............................	---	500	---	---	---	---
Personnel Radiation Protection........................	---	2,000	---	---	---	---
Xray Lithography......................................	---	15,000	15,000	---	---	-15,000
RACER...	---	5,000	5,000	---	---	-5,000
Electronic Warfare....................................	---	---	---	---	---	---
Consultants, Engineering & Technical Services OSD.....	---	---	---	---	---	---
Inflation/Fuel Savings................................	---	---	---	---	---	---
Cooperative DOD/VA Medical Research...................	---	20,000	20,000	---	---	-20,000
RDT&E Profit Policy Adjustment........................	---	---	---	---	---	---
Civilian Pay Raise....................................	---	---	---	---	---	---
Free Electron Laser for Medical Research..............	---	---	15,000	---	---	-15,000
General Reduction.....................................	---	-64,000	-15,000	---	---	+15,000
Cruise Missile Guidance Program.......................	---	5,000	---	---	---	---
Extended Air Defense..................................	---	---	---	---	---	---
Manufacturing Tech Initiative.........................	---	95,000	20,000	---	---	-20,000
High Temperature Superconducting Program..............	---	50,000	20,000	---	---	-20,000
Center for Advanced Technology........................	---	31,000	---	---	---	---
Environmental Hazards Research........................	---	33,000	16,500	16,500	+16,500	---
Engineering and Technology Development................	---	---	7,000	---	---	-7,000

[In thousands of dollars]

	1988 budget estimate (1)	Authorized amount (2)	House allowance (3)	Committee recommendation (4)	Senate compared to— Budget estimate (5)	Senate compared to— House allowance (6)
Advanced semiconductor and computing technology	---	---	5,000	---	---	-5,000
Deep Strike Capability	---	5,000	---	---	---	---
General Increase	---	---	---	---	---	---
Vector Thrust	---	3,000	---	---	---	---
Pay/Fers Supplemental	---	---	---	---	---	---
FERS Adjustment	---	---	-2,622	---	---	+2,622
Total, Research Development Test & Eval,Def Agencies	8,811,532	8,145,176	6,198,116	7,656,566	-1,154,966	+1,458,450
Transfer from other accounts	---	---	---	---	---	---
Total funding available	8,811,532	8,145,176	6,198,116	7,656,566	-1,154,966	+1,458,450
Developmental Test & Eval, Defense						
Test Instrumentation Development	30,100	30,100	30,100	30,100	---	---
Space System Test Capabilities	2,000	1,500	1,500	1,500	-500	---
Foreign Weapons Evaluation	13,889	13,889	29,811	13,889	---	-15,922
NATO Cooperative Development Testing	49,204	49,204	49,204	40,824	-8,380	-8,380
Live Fire Testing	6,700	8,000	10,800	6,700	---	-4,100
Joint Technical Coordinating Group for A/C Surviv	7,086	11,000	7,086	7,086	---	---
Development Test and Evaluation	69,238	71,000	63,919	69,238	---	+5,319
General Reduction	---	---	-10	---	---	+10
NATO Research and Development	---	---	---	---	---	---
Inflation/Fuel Savings	---	---	---	---	---	---
Total, Developmental Test & Eval, Defense	178,217	184,693	192,410	169,337	-8,880	-23,073
Operational Test & Evaluation, Defense						
OT&E Capability Improvement	93,000	80,000	46,000	72,000	-21,000	+26,000
Operational Test and Evaluation	11,221	11,221	11,221	11,221	---	---
Total, Operational Test & Eval, Defense	104,221	91,221	57,221	83,221	-21,000	+26,000
RECAPITULATION						
TOTAL, RDTE, ARMY	5,511,172	5,281,008	4,445,362	4,937,166	-574,006	+491,804
TRANSFER FROM OTHER ACCOUNTS	---	---	---	---	---	---
TOTAL, RDTE, NAVY	10,448,112	9,947,151	8,634,560	9,535,619	-912,493	+901,059
TRANSFER FROM OTHER ACCOUNTS	---	---	---	---	---	---
TOTAL, RDTE, AIR FORCE	18,623,383	16,861,976	16,119,705	14,322,604	-4,300,779	-1,797,101
TRANSFER FROM OTHER ACCOUNTS	---	(16,300)	---	---	---	---
TOTAL, RDTE, DEFENSE AGENCIES	8,811,532	8,145,176	6,198,116	7,656,566	-1,154,966	+1,458,450
TRANSFER FROM OTHER ACCOUNTS	---	---	---	---	---	---
TOTAL, RDTE, DEVELOPMENTAL TEST & EVAL	178,217	184,693	192,410	169,337	-8,880	-23,073
TOTAL, OPERATIONAL TEST AND EVALUATION	104,221	91,221	57,221	83,221	-21,000	+26,000
TOTAL, RDTE	43,676,637	40,511,225	35,647,374	36,704,513	-6,972,124	+1,057,139
TRANSFER FROM OTHER ACCOUNTS	---	(16,300)	---	---	---	---
TOTAL FUNDING AVAILABLE	43,676,637	40,527,525	35,647,374	36,704,513	-6,972,124	+1,057,139

TITLE V

REVOLVING AND MANAGEMENT FUNDS

1987 appropriation	$650,672,000
1988 budget estimate	1,201,214,000
House allowance	881,214,000
Committee recommendation	881,214,000

The Committee recommends appropriations totaling $881,214,000 in title V, revolving and management funds, for fiscal year 1988. This is $320,000,000 below the budget estimate and the same as the House allowance.

Stock fund appropriations provide for the purchase of war reserve material and augmentation of peacetime operating stock. The stock funds of the respective military services are financial vehicles for the purchase of such material. A portion of these stock-funded items which are consummable in nature—repair parts, clothing, and other expendable material—are held for use in the event of an outbreak of hostilities. The bulk of the material is stocked for normal peacetime use.

COMMITTEE RECOMMENDATIONS

The Committee's recommendation is $320,000,000 lower than the budget request and is consistent with the 1988 authorization and the House allowance. The authorization and the House allowance did not allocate appropriations or reductions between inventory augmentation and war reserve programs. The Committee believes, however, that at a minimum, within the $881,214,000 appropriated, the services should continue to procure all war reserve medical supplies associated with medical support equipment provided for in other procurement appropriations.

The Committee continues to question the rationale for the inventory augmentation program. The Committee believes that better and more specific justifications are required for these appropriations. The Department of Defense Comptroller should include augmentation and war reserve justification in the stock fund overview discussed in the operation and maintenance section of this report.

It appears to the Committee that the Department gives substantial attention to getting appropriations for inventory related to new weapons systems, and little attention to ensuring that inventories are not ordered for discontinued weapons systems. Stocks are often reordered for weapons systems that are being phased out of the force because stock fund managers are not informed in advance that systems are being retired.

Stock fund managers usually reorder stock items based on the last sale/demand and only cease stocking such inventory when demand drops or disappears. This problem appears to be especially acute for items ordered from the Defense stock fund, since the services make little effort to inform DLA of weapons system or operating tempo changes. To curtail this wasteful practice, the Department should develop a system that allows funds paid to stock funds for final orders (that should result in stock fund profits) to be used for inventory augmentation. Development of such a system would provide an incentive for field commands and the services to ensure that resources are not wasted on inapplicable inventories and that augmentation inventories are financed through efficient management rather than surcharges or additional appropriations. The Committee requests the Department of Defense to report on the development of such a system by June 1, 1988.

The following are the Committee recommendations by account:

ARMY STOCK FUND

1987 appropriation	$110,100,000
1988 budget estimate	263,207,000
House allowance	193,207,000
Committee recommendation	193,207,000

The Committee recommends appropriations of $193,207,000. This is $70,000,000 below the budget request and the same as the House allowance.

NAVY STOCK FUND

1987 appropriation	$352,570,000
1988 budget estimate	404,400,000
House allowance	329,400,000
Committee recommendation	329,400,000

The Committee recommends appropriations of $329,400,000. This is $75,000,000 below the budget request and the same as the House allowance.

MARINE CORPS STOCK FUND

1987 appropriation	$822,000
1988 budget estimate	
House allowance	
Committee recommendation	

The Committee recommends no new appropriations. The Marine Corps stock fund was merged with the Navy stock fund on October 1, 1987.

AIR FORCE STOCK FUND

1987 appropriation	$139,980,000
1988 budget estimate	326,007,000
House allowance	226,007,000
Committee recommendation	226,007,000

The Committee recommends appropriations of $226,007,000. This is $100,000,000 below the request and the same as the House allowance.

DEFENSE STOCK FUND

1987 appropriation	$47,200,000
1988 budget estimate	207,600,000
House allowance	132,600,000
Committee recommendation	132,600,000

The Committee recommends appropriations of $132,600,000. This is $75,000,000 below the request and the same as the House allowance.

TITLE VI

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

1987 appropriation	$118,700,000
1988 budget estimate	87,400,000
House allowance	198,500,000
Committee recommendation	198,500,000

COMMITTEE RECOMMENDATIONS

The Committee has carefully reviewed the Army's position on alternative solutions to accomplish the destruction of the current inventory of chemical munitions. The Army has presented a responsible and expeditious strategy to dispose of these aging stocks of unitary chemical munitions and the Committee provides $198,500,000 to continue active demilitarization projects and to initiate the development of systems to complete the destruction of the existing stockpile.

The Committee agrees with the recommendation of the House that the Army thoroughly evaluate the cryofracture technology in conjunction with the ongoing development of the CAMDS facility at the Tooele Army Depot. The continued development of this approach will ensure that the Army will have actual test results from all potential disposal techniques in conducting this program.

The Committee fully supports the documentation requirements stated in the National Defense Authorization Act for 1988. The decision next year to continue this program and initiate construction projects for the disposal facilities will depend greatly on how the Army complies with those requirements.

[In thousands of dollars]

	Fiscal year 1988—				Senate compared to—	
	Budget request	Authorization	House allowance	Committee recommendation	Budget request	House allowance
Operation and maintenance	83,900	34,100	97,000	97,000	+13,100	
Research and development	3,500	11,500	4,900	4,900	+1,400	
Procurement		19,500	96,600	96,600	+96,600	
Total	87,400	125,100	198,500	198,500	+111,100	

TITLE VII

RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

1987 appropriation	$21,893,000
1988 budget estimate	24,272,000
House allowance	22,500,000
Committee recommendation	23,614,000

The Committee recommends an appropriation of $23,614,000 which is $658,000 below the budget estimate and $1,114,000 above the House allowance. Details of this recommendation are contained in the classified annex to this report.

PAYMENT TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

1987 appropriation	$125,800,000
1988 budget estimate	134,700,000
House allowance	134,700,000
Committee recommendation	134,700,000

The Committee recommends an appropriation of $134,700,000 for the payment to the Central Intelligence Agency Retirement and Disability System Fund. The Committee recommendation concurs in the budget estimate and in the House allowance. It is an increase of $8,900,000 over the fiscal year 1987 appropriation.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (Public Law 88–643, October 3, 1964) authorized the establishment of a Central Intelligence Agency retirement and disability system for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries. The fund finances the cost of: (1) interest on the unfunded liability, (2) annuities attributable to credit allowed for military services, (3) benefits not met by employee/employer contributions, and (4) the increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of this fund is similar to that of the civil service retirement system.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

This report accompanies a bill which has its origin in the Senate, and, therefore, the Committee does not believe that rule XVI, paragraph 7 applies in this case.

However, in order to present the Senate with a clear understanding of the recommendations contained herein, the following information is provided. These items of appropriation are in excess to an existing authorization or have not been previously authorized:

In title II of the bill—
  "Environmental restoration, Defense": $492,800,000.
In title III of the bill—
  "Shipbuilding and conversion, Navy":
    CVN aircraft carrier program: $6,325,000,000;
    CG–47 Aegis cruiser program: $4,127,000,000;
    LCAC landing craft air cushion: $36,500,000.
  "Missile procurement, Air Force": $7,780,295,000.
  "National Guard and Reserve equipment":
    Army National Guard, $215,000,000;
    Air National Guard, $341,000,000;
    Navy Reserve, $55,000,000;
    Air Force Reserve, $185,000,000.
In title VI of the bill—
  "Chemical agents and munitions destruction": $198,500,000.

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

TITLE VIII

GENERAL PROVISIONS

The President submitted a 2-year budget, covering fiscal year 1988 and fiscal year 1989. In those general provisions where language was requested for both fiscal years, the Committee has addressed only fiscal year 1988.

In addition to provisions discussed elsewhere in the report, the Committee recommends the following changes in the general provisions under title VIII of the accompanying bill:

Expenditures for consulting service.—The Committee recommends concurrence in the House retention of language which limits expenditure for a consulting service through a procurement contract to those contracts where such expenditures are a matter of public record. The budget requests deletion of this provision. (Sec. 8001)

Conversion from coal.—The Committee does not agree with the House's retention of language which continues the prohibition on conversion of heating plants in Europe from coal to oil or with its amendment extending the prohibition to natural gas. The budget requested deletion of this prohibition. (Sec. 8010)

Buy American.—The Committee does not agree with the House addition of tents, tarpaulins, covers, and other natural fiber products, canvas products and any item of individual equipment manufactured from or containing such fibers, yarns, fabrics, or materials, to the list of articles in the so-called Buy American provision. Further, it is the intent of the Committee that the exception for small purchases under $10,000 shall not apply to FSG 51 and 52 (hand or measuring tools) articles. (Sec. 8011)

Legislative liaison.—The Committee recommends raising the ceiling on legislative liaison activities in the Department of Defense to $14,362,000. The House raised the ceiling to $14,900,000, as the budget requested. (Sec. 8013)

Transfer authority.—The Committee disagrees with the House provision which raises the ceiling on transfer authority from $1,100,000,000 to $1,500,000,000, as the budget requested. The Committee recommended provision maintains the ceiling at the fiscal year 1987 level. The Defense Department has failed to use all of its current transfer authority, as such the Committee does not see a need to increase the total level. (Sec. 8015)

Conversion from coal.—The Committee does not agree with the House's retention of language which continues the prohibition on conversion of heating plants in Europe from coal to oil or with its amendment extending the prohibition to natural gas. The budget requested deletion of this prohibition. (House sec. 8017)

Special access programs.—The Committee recommends a new provision intended to ensure visibility of new starts of special access programs. The provision states that new special access programs may not be started without notification 30 days in advance to the Committees on Appropriations and Armed Services of the House and Senate. (Sec. 8017)

Public affairs.—The Committee recommends a ceiling of $46,951,000 on public affairs activities of the Department of Defense. The House recommended a ceiling of $48,500,000, as the budget requested. (Sec. 8020)

Morale, welfare, recreation personnel.—The Committee recommends a reduction of 176 end strength, for a total of 9,725, in the ceiling for full-time military personnel assigned to or used in the support of morale, welfare, and recreation activities. The House recommended a ceiling of 9,901, as requested by the budget. (Sec. 8024)

Multiyear procurement contracting.—The Committee concurs with the House's retention of a provision requiring congressional approval of all multiyear requests. The Committee does not agree with the House's approval of the Defense Meteorological Satellite Program. The Committee, however, recommends approval of the TOW and the Hawk missile systems and the high mobility multipurpose vehicle. The budget requested deletion of this provision. (Sec. 8032)

CIA reprogrammings for special activities.—The Committee recommends a provision requiring that the Secretary of Defense or the Director of Central Intelligence must notify Congress when funds for intelligence or special activities are used differently than previously justified to Congress. This provision has been enacted in previous appropriation bills, and the administration has no objection to its continued enactment. The House bill modified this provision to apply only to fund transfers between CIA and DOD. The Committee believes that language requiring notification should continue to apply to all intelligence and special activities funds provided in this bill. (Sec. 8036)

Purchase of foreign coal or coke.—The Committee does not agree with retention by the House of a provision prohibiting the purchase of coal or coke from foreign nations for use at U.S. defense facilities in Europe when coal from the United States is available. The budget requested deletion of the provision. (House sec. 8037)

Executive Schedule positions.—The Committee does not agree with the House's deletion of a provision that limits the number of Executive Schedule positions in the Department of Defense to 39. The budget requested deletion of this provision. (Sec. 8037)

Purchase of manual typewriters.—The Committee does not agree with the House's retention of a provision prohibiting purchase of manual typewriters from signatories to the Warsaw pact and recommends deletion of the provision. The budget did not request its deletion. (Sec. 8038)

Alaska command structure.—The Committee recommends continuation of a provision prohibiting the use of funds in this or any other act to alter the command structure for military forces in Alaska. (Sec. 8038)

AGR/technician floors.—The Committee does not agree to a ceiling on AGR strength and a floor on civilian technicians as proposed by the House and the budget. (House sec. 8039)

Balance of payments.—The Committee recommends a new provision requiring the Department of Defense, in conjunction with the Department of Commerce, to provide an annual report on the cost of stationing troops overseas and the effect on U.S. balance of payments. This reporting requirement is more fully explained in an earlier section of the report. (Sec. 8039)

Civilian personnel ceilings.—The Committee does not concur with the House inclusion of bill language that prohibits the Department of Defense from managing civilian personnel on the basis of end strength. The budget proposed deletion of this provision. (House sec. 8040)

Overseas civilian personnel ceilings.—The Committee recommends retention of an overseas work-year ceiling first initiated in 1987. A ceiling of 188,496 is recommended. Further, the Committee excludes dependent summer hires and disadvantaged youth from the ceiling. (Sec. 8040)

RDT&E pay costs.—The Committee does not agree with the House's retention of a provision allowing transfers to R&D accounts to cover the costs of pay raises. The budget does not ask for deletion of this provision. (House sec. 8041)

Local hire.—The Committee recommends retention of a provision that requires the Department of Defense to hire State residents in noncontiguous States for construction and service contracts when the State unemployment rate is in excess of the national average. The House deleted this provision, as the budget requested. (Sec. 8041)

Nicaragua.—The House bill includes a provision from the fiscal year 1987 Defense bill amended to incorporate by reference language from the House-passed version of the intelligence authorization bill. The Committee recommends deletion of this provision, as requested by the budget. (House sec. 8042)

Variable housing allowance.—The Committee does not agree with the House's deletion of a provision related to variable housing allowances. Instead of limiting the allowances to those in effect on August 1, 1986, the Committee recommends a cap of $1,115,261,000, the amount funded in fiscal year 1987. The budget requested deletion of the provision. (Sec. 8042)

Rescissions.—The Committee proposes rescissions from prior-year procurement and research and development appropriations totaling $3,548,140,000. These funds are available through contract cost savings, program terminations, authorization limitations, and adjustments in acquisition plans. This provision also amends section 1305 of the 1987 National Defense Authorization Act, allowing rescission of funds currently held by the limitation on obligations. (Sec. 8043)

Appropriation and line item	House transfers	Recommended rescissions
Aircraft procurement, Army 1986/1988:		
AH–64	$28,100,000	
UH–60	2,000,000	$2,100,000
OH–58 modifications	1,100,000	
Program adjustment		29,900,000
Total	31,200,000	32,000,000
Aircraft procurement, Army 1987/1989:		
AH–64		20,000,000
UH–60	2,600,000	2,600,000
CH–47D	5,000,000	10,000,000
AH–64 modifications	28,000,000	
EH–60	1,200,000	1,200,000
UH–1 modifications	400,000	400,000
AHIP (AP)		21,900,000
Total	37,200,000	56,100,000
Missile procurement, Army 1986/1988:		
Stinger	9,000,000	9,000,000
Chapparal		13,000,000
Program adjustment		3,100,000
Total	9,000,000	25,100,000
Missile procurement, Army 1987/1989:		
Stinger	13,100,000	13,100,000
Chapparal		28,500,000
Pedestal mounted Stinger		15,000,000
MLRS	6,000,000	10,100,000
Total	19,100,000	66,700,000
W&TCV procurement, Army 1986/1988:		
M–1 tank	12,100,000	12,100,000
Bradley	19,500,000	19,500,000
120 mm mortar		4,800,000
M–1 modifications (SCAF)	5,300,000	5,300,000
Bushmaster	2,800,000	
Bradley training devices	7,000,000	
M–60 modifications (AFES)	25,000,000	
Total	71,700,000	41,700,000
W&TCV procurement, Army 1987/1989:		
M–1 tank		42,700,000
M–1 modifications		6,000,000
Bradley	11,900,000	36,000,000
120 mm mortar		12,700,000
Spares and repair parts		46,000,000
Bushmaster	1,000,000	
M–60 modifications (AFES)	6,800,000	
Total	19,700,000	143,400,000
Other procurement, Army 1986/1988:		
OE–254 antenna	572,000	
Light tacfire		24,300,000
SINCGARS		60,000,000
Host national support		19,800,000
UAV–IEW	21,500,000	
Total	22,072,000	104,100,000

Appropriation and line item	House transfers	Recommended rescissions
Other procurement, Army 1987/1989:		
OE-254 antenna	$987,000	
Aquila		$49,000,000
Truck spares		40,000,000
Tug boat		25,100,000
Host nation support		37,100,000
Commercial tactical terminal	14,700,000	
Tank assemble, POL 50,000	1,593,000	
Total	17,280,000	151,200,000
Aircraft procurement, Navy 1986/1988:		
A-6E	22,800,000	
EA-6B	11,900,000	
AV-8B		14,000,000
F-14	2,200,000	
F/A-18	56,500,000	40,000,000
CH/MH-53	2,000,000	2,000,000
AH-1W	30,200,000	14,000,000
P-3C	7,600,000	2,200,000
E-2C	3,900,000	3,900,000
SH-2F		2,200,000
C-2A	3,700,000	
Spares	9,100,000	9,100,000
Support equipment	26,000,000	20,300,000
SH-60B	1,700,000	
VH-60	2,800,000	
Common ECM modifications	17,900,000	
E2-C modifications	3,000,000	
A-6 modifications	10,900,000	
RF-4 modifications	1,200,000	
F-14 modifications	11,400,000	
H-2 modifications	5,700,000	
H-3 modifications	7,500,000	
P-3C modifications	26,600,000	
Total	264,600,000	107,700,000
Aircraft procurement, Navy 1987/1989:		
A-6E	22,100,000	15,000,000
EA-6B	19,900,000	19,900,000
F-14	2,700,000	2,700,000
F/A-18	101,500,000	
CH/MH-53	9,600,000	
P-3C	27,800,000	27,800,000
P-3C advance procurement		91,300,000
C-2A	38,200,000	
Support equipment		56,200,000
AV-8B	26,600,000	26,600,000
SH-60F	1,000,000	400,000
EA-6B modifications	3,500,000	
F-14 modifications	3,000,000	
H-53 modifications	5,900,000	
H-3 modifications	2,800,000	
EC-130 modifications	2,600,000	
Total	267,200,000	239,900,000

Appropriation and line item	House transfers	Recommended rescissions
Weapons procurement, Navy 1986/1988:		
Laser Maverick		$50,000,000
CIWS		3,400,000
MK–46 advance procurement	$10,400,000	
Total	10,400,000	53,400,000
Weapons procurement, Navy 1987/1989:		
Tomahawk		20,000,000
Sidewinder		3,700,000
Harm		3,000,000
Laser Maverick	100,000,000	30,000,000
Mk. 50 torpedo	45,700,000	45,700,000
Vertical launch ASROC	32,100,000	32,100,000
CIWS	11,300,000	11,300,000
Spares		4,700,000
Stinger	6,600,000	
Spares—Mk. 48	18,000,000	
Spares—Mk. 50	4,700,000	
Spares—VLA	1,000,000	
Total	219,400,000	150,500,000
Shipbuilding and conversion, Navy 1984/1988:		
Trident	41,600,000	58,600,000
CG–47	74,400,000	6,500,000
TAO–187	3,500,000	5,900,000
TAKR	1,600,000	1,600,000
Service craft		10,400,000
Outfitting	1,300,000	1,300,000
Post delivery	5,100,000	5,100,000
Cost growth	71,700,000	33,100,000
T-AK advance procurement	800,000	800,000
Battleship		17,200,000
Landing craft		100,000
SSN–688	16,500,000	
DDG–51	700,000	
T-AH	3,600,000	
Total	220,800,000	140,600,000
Shipbuilding and conversion, Navy 1985/1989:		
Trident	48,500,000	18,400,000
CV SLEP		15,000,000
LSD–41	4,000,000	4,000,000
TACS		2,000,000
SSN–688	2,400,000	
CG–47	67,500,000	
MCM	1,500,000	
LCAC	700,000	
T-AO	200,000	
T-AGOS	200,000	
T-AGS	500,000	
Post delivery	800,000	
Outfitting	300,000	
Total	126,600,000	39,400,000
Shipbuilding and conversion, Navy 1987/1991:		
Trident	56,200,000	58,100,000
CG–47	83,100,000	39,400,000
SWCM		19,000,000
TACS		5,200,000
AOE	41,200,000	1,900,000

Appropriation and line item	House transfers	Recommended rescissions
Shipbuilding and conversion, Navy 1987/1991—Continued		
SSN-688	$112,500,000	
DDG-51	158,600,000	
Landing craft	19,000,000	
T-AO	4,500,000	
T-AGOS (M)	7,200,000	
T-AGOS (S)	7,800,000	
Total	490,100,000	$123,600,000
Other procurement, Navy 1986/1988:		
Electronic gyros	1,410,000	
AN/SPS-67 (V) radar	184,000	
IADTS	500,000	
Mk. 23 target system	1,590,000	800,000
Radar support	2,500,000	2,000,000
Offboard deception devices	10,792,000	2,500,000
Matcals	291,000	
NCCS ashore	849,000	
TSEC/KY-57/58	6,812,000	
TSEC/KG-44	309,000	
VLS	907,000	
Quickstrike mines	1,851,000	800,000
Spares	3,500,000	3,500,000
Amphibious equipment	864,000	
Deadeye		39,700,000
Total	32,361,000	49,300,000
Other procurement, Navy 1987/1989:		
501K gas turbine	6,197,000	5,500,000
Other propulsion equipment	4,708,000	4,700,000
Steam propulsion equipment	700,000	
Fire equipment	5,089,000	
Pollution control equipment	1,937,000	
Sub silencing equipment	10,100,000	
Ship silencing equipment	2,707,000	1,000,000
Minesweeping equipment	2,700,000	
HM&E equipment—$2 million	1,000,000	
Reactor units	28,590,000	
Reactor components	1,273,000	
Production support facilities	11,095,000	
AN/SPS-67	2,728,000	2,730,000
AN/SPS-40	450,000	
AN/SPS-48	2,600,000	2,600,000
IADTS	364,000	
Mk. 23 target system	2,995,000	2,500,000
Radar support	5,500,000	3,000,000
Surface SONAR support	1,600,000	1,600,000
ASW ops center	530,000	
Offboard deception devices	20,265,000	10,000,000
EW support equipment	974,000	
C³ countermeasures	932,000	
Combat DF	150,000	
NTDS	10,656,000	10,660,000
Strategic platform support	1,329,000	
MATCALS	9,216,000	2,000,000
ACLS	16,000,000	
Portable radios	1,000,000	
Sealift communications	2,220,000	
Sub communications antennas	7,580,000	
TSEC/KG-84	1,428,000	
TSEC/KY-57/58	7,179,000	2,000,000

Appropriation and line item	House transfers	Recommended rescissions
Other procurement, Navy 1987/1989—Continued		
TSEC/KG-44	$4,713,000	
TRI-TAC CRYPTO	2,153,000	$2,150,000
Expeditionary airfields	300,000	
Submarine ASW equipment	2,000,000	
Crush, mix, batch, pave equipment	1,225,000	
Drilling/blasting equipment	109,000	
Miscellaneous construction equipment	2,085,000	
Weight handling equipment	2,113,000	
Surface combat trainer	799,000	
Sub combat trainer	296,000	
Computer acquisition	14,882,000	
Sonobuoy surge maintenance	2,821,000	
General purpose bombs	4,514,000	
Deadeye		111,500,000
Mk. 92 CORT		88,700,000
Total	209,802,000	250,640,000
Procurement, Marine Corps 1986/1988:		
Comm/electronics	30,000,000	
Program adjustment		32,600,000
Total	30,000,000	32,600,000
Aircraft procurement, Air Force 1986/1988:		
F-15		6,500,000
F-16	5,800,000	
C-5B	10,000,000	
T-46	169,921,000	169,900,000
A-10 modifications	4,600,000	11,300,000
F-16 modifications	2,200,000	2,200,000
C-135	6,900,000	8,700,000
F-4 modifications		7,400,000
Initial spares		18,300,000
Common ECM equipment	42,900,000	26,400,000
Common ground support	8,500,000	8,500,000
WWABNCP		6,900,000
Total	269,121,000	266,100,000
Aircraft procurement, Air Force 1987/1989:		
F-15		9,500,000
F-16	20,000,000	32,900,000
MC-130H		8,900,000
C-5B	276,100,000	273,000,000
T-46	151,000,000	158,400,000
A-10 modifications		23,900,000
C-135	13,000,000	13,000,000
B-52 modifications	2,300,000	13,000,000
F-15 modifications	12,200,000	
F-4 modifications	20,000,000	
Initial spares		12,500,000
Replenishment spares	398,700,000	
Common ECM equipment		16,500,000
Total	893,300,000	561,600,000
Missile procurement, Air Force 1986/1988:		
MX		103,900,000
Space shuttle support		4,900,000
AMRAAM	13,646,000	
Total	13,646,000	108,800,000

Appropriation and line item	House transfers	Recommended rescissions
Missile procurement, Air Force 1987/1989:		
GPS		$76,400,000
Space shuttle support		19,400,000
Medium-launch vehicle	$40,100,000	40,100,000
GLCM		112,000,000
Total	40,100,000	247,900,000
Other procurement, Air Force 1986/1988: Program adjustment		58,200,000
Procurement, Defense agencies 1986/1988: Program adjustment		31,000,000
Procurement, Defense agencies 1987/1989:		
Classified program	75,000,000	75,000,000
ADP equipment	8,000,000	
Total	83,000,000	75,000,000
National Guard/Reserve equipment 1986/1988: Program adjustment		17,900,000
RDT&E, Air Force 1987/1988:		
Small ICBM	266,000,000	295,600,000
Classified program		78,100
Total	266,000,000	373,700,000

Working capital funds.—The Committee recommends continuation of language that places ceilings on transfers from working capital funds to the operation and maintenance appropriations accounts of the Army, Navy, Marine Corps, and Air Force. The House bill and budget request contain this language, but the amounts transferred differ from the Committee's recommendation. (Sec. 8044)

Limits on leases and charters.—The Committee concurs with the House in retaining a provision limiting the leasing and chartering of vessels and aircraft using O&M leases. The budget requested deletion of this provision. (Sec. 8047)

Floating storage of petroleum.—The Committee does not agree with the House's retention of a provision prohibiting floating storage of petroleum or petroleum products except in vessels of, or belonging to, the United States and has deleted the provision, as the budget requested. (House sec. 8053)

Unemployment compensation.—The Committee recommends retention of a provision limiting the availability of funds for the payment of unemployment compensation to $174,598,000. The House deleted this provision, as the budget requested. (Sec. 8053)

Civil Air Patrol.—The Committee concurs with the House in recommending retention of a provision requiring the Air Force, from within its appropriation, to make additional funds available to the Civil Air Patrol. The provision requires the Air Force to make available $4,800,000 in addition to the $6,800,000 in the budget request, for a total of $11,600,000. The budget requested deletion of the provision. (Sec. 8054)

Foreign selling and advertising costs.—The Committee recommends continuing a provision which prohibits U.S. contractors charging back to the U.S. Government the cost of marketing to foreign countries, except as amended in the fiscal year 1987 supplemental appropriations bill. The House bill contains a provision allowing these chargebacks to the Government. (Sec. 8056)

Humanitarian assistance and civic action.—The Committee recommends continuation of the provision to provide use of operating funds for humanitarian assistance and civic action incidental to authorized operations. The provision has been amended to clarify reporting requirements and assistance in conformance with section 403 of title 10, United States Code. (Sec. 8057)

Labor-surplus areas.—The Committee does not agree with the House's retention of a sense of the Congress provision encouraging the Department of Defense to award contracts to contractors who agree to carry out the contracts in labor-surplus areas. The budget requested deletion of the provision. (House sec. 8059)

NATO.—The Committee recommends retention of a provision requiring notification to Congress about expenditure of funds for the NATO Cooperative Test Program. The House deleted the provision, as requested by the budget. (Sec. 8059)

Defense Personnel Support Center, Philadelphia, PA.—The Committee does not agree with the House's retention of a provision prohibiting contracting out at the Defense Personnel Support Center in Philadelphia, PA, until after the Committees on Appropriations of the House and Senate have been notified of the results of a cost analysis of contracting out such an activity. The budget requested deletion of the provision. (House sec. 8062)

Demonstration projects.—The Committee recommends language to clarify that CHAMPUS demonstration projects should continue in 1988 when the Service operation and maintenance accounts assume funding for the program. The budget requested continuation of authority to transfer demonstration project funding to the Services, which is no longer consistent with the budget proposed funding mechanism. The House does not contain a demonstration project funding provision. (Sec. 8062)

Education benefits/enlistment bonuses.—The Committee concurs with the House's retention of a provision limiting the amount of educational assistance which may be paid to a service member who receives an enlistment bonus. The budget requested deletion of the provision. (Sec. 8063)

Army tactical missile system [ATACMS].—The Committee does not concur with the House in retaining and amending language prohibiting funds for R&D for integration of a nuclear warhead into the Army tactical missile system. The Fiscal Year 1988–89 Defense Authorization Act contains a related provision which obviates the need for this language. Also, the budget requested its deletion. (House sec. 8064)

CHAMPUS DRG's.—The Committee recommends a new provision regarding CHAMPUS diagnostic review group [DRG] regulations. The Committee language is similar to the House provision (House sec. 8116) in that it excludes from DRG regulations discharges involving: (1) newborns and infants; (2) pediatric bone marrow transplants; (3) children who are HIV seropositive; and (4) children with cystic fibrosis. The Committee bill language also exempts children's hospitals and ensures that any increased costs are not passed on to children and their families. (Sec. 8064)

Lodging plus.—The Committee does not agree with the House's retention and amendment of a provision which allows the Department to continue the flat rate per diem test until the lodging plus provisions of the Fiscal Year 1987 Authorization Act can be implemented. The budget requested deletion of the provision. (House sec. 8065)

EMPRESS—Chesapeake Bay.—The Committee has added a new provision prohibiting an electromagnetic pulse program in the Chesapeake Bay area in connection with the electromagnetic pulse radiation environment simulator for ships [EMPRESS] program. (Sec. 8065)

Home health care.—The Committee recommends continuation of a provision requested by the budget that allows a pilot test for home health care and also concurs in changes proposed by the House. (Sec. 8066)

Cost-effectiveness study, contracting out.—The Committee concurs with the House in retaining a provision requiring a most efficient and cost-effective organizational analysis before contracting out a DOD activity employing 10 or more employees. The budget requested deletion of the provision. (Sec. 8069)

120 mm mortars.—The Committee does not agree with the House's retention of a provision prohibiting funds for procurement of 120 mm mortars or 120 mm mortar ammunition outside the United States, except for testing and the Army's 9th Infantry Division (motorized). The budget requested deletion of the provision. (House sec. 8072)

Claims.—The Committee recommends a new provision (explained more fully in the operation and maintenance section of the report) allowing the services to pay claims through operation and maintenance accounts. (Sec. 8072)

Dependent student travel.—The Committee does not agree with the House in providing a cap of $4,700,000 on funding for dependent student travel. Instead, the Committee recommends that no funds be appropriated for this purpose and that higher priority be given for students on Military Air Command flights. (Sec. 8074)

Organotin paint.—The Committee does not agree with the House's retention of language prohibiting the use of organotin paint on naval vessels. The budget recommended deletion of the provision. (House sec. 8075)

Temporary lodging expense.—The Committee recommends retention of a provision limiting temporary lodging expenses to military grades E-4 and below, with dependents. The House deleted the provision, as requested by the budget. (Sec. 8075)

Alcoholic beverages.—The Committee recommends retention of the 1987 provision that: (1) requires that the Department of Defense procure wine and malt beverages in the State in which a military installation is located and (2) allows the Department to procure other alcoholic beverages from any source regardless of location, except for noncontiguous States. The Department uses taxpayers' funds for transportation of alcoholic beverages to noncontiguous States, thus unfairly using the budget to undercut local suppliers. The budget proposed deleting this provision, and the House proposes retaining the requirement to procure malt beverages and wine in-State, but it allows other alcoholic beverages to be procured at any location. (Sec. 8076)

Foreign currency fluctuations transfer.—The Committee does not agree with the House's retention of a provision allowing the Department of Defense to transfer expired balances into the "Foreign currency fluctuation" account. The budget request asked for the authority to be made permanent. (House sec. 8078)

Pay raises.—The Committee recommends language providing $775,000,000 for military pay raises and requiring that any additional requirement for military and civilian pay raises be accommodated within appropriations made in this act. (Sec. 8078)

Civilian strengths at Army depots.—The Committee does not agree with the House's retention of a provision placing a floor on the civilian personnel strengths at certain Army depots. The budget requested deletion of the provision. (House sec. 8079)

Overseas fuel procurement.—The Committee recommends a general provision to allow small refiners with a refining capacity of 85,000 barrels or less per day increased participation in the Department of Defense's overseas fuel procurement program. There is a more complete discussion of this provision in the operation and maintenance section of the report. The House deleted the provision, as the budget requested. (Sec. 8079)

Army ammunition activities.—The Committee does not agree with the House's retention of a provision preventing contracting out certain activities at the Crane and McAlester army ammunition plants. The budget requested deletion of the provision. (House sec. 8080)

Machine tools.—The Committee recommends retention of a provision prohibiting the purchase of certain categories of machine tools from other than United States or Canadian sources. The House deleted this provision, as requested in the budget. (Sec. 8080)

ADP limitations.—The Committee does not concur with the House provision placing limitations on acquisition of major automated information systems which have not completed oversight reviews. (House sec. 8081)

Payments to heart and lung hospitals.—The Committee recommends retention of a provision that allows continued CHAMPUS eligibility for hospitals that obtain 6 percent or more of operating funds from contributions and that limit the care provided to the treatment of heart and lung conditions (last year's provision required that a hospital obtain 12 percent or more from contributions). The House and the budget request recommended deletion of this provision. (Sec. 8081)

Overseas ship repair.—The Committee does not agree with the House's retention of a provision to prohibit overseas ship maintenance for vessels normally homeported in the United States, except for voyage repairs. The budget requested deletion of the provision. (House sec. 8082)

Polyacrylonitrile [PAN] carbon fibers.—The Committee recommends a new provision which requires the Department of Defense to achieve one-third domestic sourcing of PAN carbon fibers by 1988 and one-half domestic sourcing by 1990. The Committee strongly supports the DOD initiative to ensure 50 percent domestic procurement of PAN carbon fibers by U.S. defense contractors. The Committee further believes that the DOD methodology of selecting high technology programs and designating them for domestic PAN carbon fiber use, is the correct approach. Therefore, the Committee recommends that this current policy be expanded to include all new programs utilizing PAN carbon fibers until the domestic source requirement is met. (Sec. 8082)

Morale, welfare, and recreation.—The Committee recommends repeal of section 9102 of the 1987 Appropriations Act, as proposed by the budget. The Committee recommends a new provision (more fully explained in the "Operation and maintenance" section of this report) that allows the Department of Defense to implement changes in operating MWR programs, and it establishes an appropriation ceiling on MWR funding. The House proposed amending the 1987 provision to allow appropriated support for military and civilian personnel and essential feeding equipment. The House language maintains metropolitan/nonmetropolitan distinctions. (Sec. 8083)

Philadelphia Municipal Authority.—The House has recommended retention of a provision providing for the conveyance of land at the Philadelphia Naval Base to the Philadelphia Municipal Authority. The Committee recommends, without prejudice, the deletion of this provision. Land transfers properly belong in the Military Construction appropriations bill, and the Committee will be reluctant in the future to address any further land transfer issues. The budget requested deletion of the provision. (House sec. 8084)

Civilian personnel salaries.—The Committee recommends inclusion of a new provision that establishes a ceiling of $34,282,543,000 for civilian personnel salaries and expenses in fiscal year 1988. (Sec. 8084)

Copperhead and 5-inch guided projectiles.—The Committee does not agree with the House's retention of language providing for the procurement, product improvement, and modification of the Copperhead and 5-inch guided projectiles without regard to a second source. The budget requested deletion of the provision. (House sec. 8085)

Personnel services.—The Committee recommends a provision that increases the limitations on amounts which may be expended for personnel services cited in the bill to the extent necessary for pay raises. (Sec. 8085)

Competitive purchasing of electric utilities.—The Committee has included a provision on the purchase of electric utilities. A discussion may be found in the operation and maintenance section of this report. The House has a similar, but not identical, provision. The budget requested deletion. (Sec. 8086)

Narcotics.—The Committee does not agree with the House's retention of a provision prohibiting the use of funds for any country not taking adequate measures to prevent the sale or smuggling of illegal drugs. The budget requested deletion of the provision. (House sec. 8087)

Interport differential.—The Committee recommends continuation of last year's provision prohibiting interport differential costs from being used as a factor in evaluating ship repair contracts. (Sec. 8087)

Fort DeRussy.—The Committee does not agree with the House's retention of a provision placing restrictions on the disposal of certain land at Fort DeRussy, HI, and has deleted the provision. (House sec. 8090)

Reprogramming.—The Committee recommends a new provision that not more than $10,000,000 in total for procurement and $4,000,000 in total for RDT&E may be cumulatively reprogrammed from any project or program without prior notification 30 days in advance to the Defense Subcommittees of the Committees on Appropriations. (Sec. 8090)

Chemical aversion therapy.—The Committee does not agree with the House's retention of a provision which allows a demonstration project designed to compare the use of chemical aversion therapy with other treatments for alcoholism. (House sec. 8091)

Build and charter for sealift tankers.—The Committee recommends a new provision which permits the Navy to enter into contractual arrangements for construction and charter of up to six clean product tankers. Current projections indicate a severe shortage of tanker vessels in the early 1990's to replace vessels which fail to meet the Port and Tanker Safety Act restrictions. The recommended language enables replacement of the aging 40,000 ton tanker vessels in a timely manner.

The Committee expects the Navy to exercise the authorities provided under this section in compliance with section 8047. This section continues the statutory requirement for annual budgeting of charter costs prior to contract obligation and reasonable coverage of potential termination liability. (Sec. 8091)

Bicentennial of the Constitution.—The Committee concurs with the House in retaining language contained in the 1987 supplemental which allows funds for logistical and other support for the celebration of the bicentennial of the Constitution. (Sec. 8092)

U.S.S. Stark.—The Committee does not agree with the House retention of a provision allowing U.S.S. *Stark* payments received to be credited to DOD appropriations. This provision was enacted in the Fiscal Year 1987 Supplemental Appropriations Act and has the effect of permanent law. (House sec. 8093)

5-ton trucks.—The Committee has included a general provision giving the Director, National Guard Bureau, the flexibility to purchase

M–939A1 5-ton trucks on a one-time basis, if he certifies to Congress that deliveries of the M–939A2 have slipped beyond a reasonable date and the cost to the Government for the M–939A1 trucks is no more than the cost of a similar buy of M–939A2's. (Sec. 8093)

Health care charges.—The Committee does not concur with a new provision added by the House on the subject of health care charges at PRIMUS and NAVCARE facilities. (House sec. 8094)

Special tooling.—The Committee has added a provision which makes technical corrections to section 9105 of the fiscal year 1987 Defense appropriations bill. Section 9105 addressed funding of special tooling and special test equipment by defense contractors and the Department of Defense. Section 8094 of the fiscal year 1988 bill is the exact provision accepted by the authorization conference. (Sec. 8094)

Health care demonstration projects.—The Committee does not concur in the provision added by the House prohibiting the use of funds for an alternative health care provision contained in the House Armed Services Committee bill and authorizing CHAMPUS to amend current contracts. (House sec. 8095)

Auxiliary minesweepers.—The Committee recommends a new provision authorizing the Secretary of the Navy to charter ships to be used as auxiliary minesweepers under certain conditions. (Sec. 8095)

Forward area air defense heavy system.—The Committee has added a general provision requiring the Secretary of Defense to certify to the Committees on Armed Services and Appropriations that the FAAD heavy forward system has completed operational testing and meets full system requirements prior to the obligation of any procurement funds. The House bill contains no such provision. (Sec. 8096)

DLA supervisors.—The Committee concurs with the House in recommending a new provision prohibiting the Defense Logistics Agency from determining a supervisor's grade by the number of people supervised. (Sec. 8097)

Aerostat radars.—The Committee recommends a new provision which reallocates funds previously provided in the fiscal year 1986 urgent supplemental. The original language provided $18,200,000 for purchase of a HC–130 tanker and $12,000,000 for aerostats. There is no longer any requirement for the HC–130 aircraft. Therefore, the funds have been redirected for purchase and installation of aerostat radars. The change is consistent with Air Force plans on how these funds shall be used. (Sec. 8098)

BLM fire reimbursement.—The Committee recommends a provision which will provide the Army $1,342,000 to reimburse the Bureau of Land Management [BLM] for critical firefighting equipment, building damage, and personal belongings which were lost in an Army warehouse fire at Fort Wainwright, AK. The Army has accepted responsibility for the fire. The transfer in this provision is unique because existing law does not cover agency reimbursement under such circumstances. (Sec. 8099)

Adoption benefits.—The Committee recommends a new provision to make up to $2,800,000 available for a 2-year pilot program for reimbursement to military personnel for adoption under the authorities of section 638 of the Fiscal Year 1988 Defense Authorization Act. (Sec. 8100)

Coal.—The Committee recommends inclusion of a provision requiring the Secretary of Defense to achieve a coal consumption target of 1,600,000 short tons of coal per year (including at least 300,000 short tons of anthracite coal) above current consumption levels at Department of Defense facilities in the United States by fiscal year 1994. In addition, the Department is to purchase at least 300,000 short tons of anthracite coal during fiscal year 1988. The House did not include this provision. The budget requested its deletion. (Sec. 8101)

Program, projects, and activities.—The Committee recommends a general provision which establishes definitions of programs, projects, and activities [PPA] for the purpose of implementing any sequester order. The provision uses the same definitions as provided in 1985, the continuing resolution for fiscal year 1986.

The definitions use the line item level for procurement and research and development, and appropriation account levels for military personnel and operation and maintenance appropriations. The House includes report language which is consistent with this provision. (Sec. 8102)

SDI.—The Committee is recommending a statutory provision setting forth principles to guide the future of the strategic defense initiative. (Sec. 8103)

Palletized loading system [PLS] truck competition.—The Committee recommends a new provision that specifies a competitive research and development program for the Army palletized loading system heavy truck. The provision requires that the competitive evaluation be completed no later than 24 months after enactment of this act, considers life-cycle costs, and that production vehicles be manufactured and assembled in the United States. No funds may be obligated for PLS research and development or procurement of heavy expanded mobility tactical trucks until the Secretary of Defense certifies to the House and Senate Committees on Appropriations that development of PLS will be conducted in compliance with this provision. (Sec. 8104)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1987 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1988

[Amounts in dollars]

Item (1)	1987 appropriation [1] (2)	Budget estimate [2] (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or -): 1987 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I							
MILITARY PERSONNEL							
Military Personnel, Army	22,353,990,000	23,681,200,000	23,462,446,000	23,483,132,000	+1,129,142,000	-198,068,000	+20,686,000
Military Personnel, Navy	17,104,850,000	18,259,100,000	17,946,795,000	17,972,329,000	+867,479,000	-286,771,000	+25,534,000
Military Personnel, Marine Corps	5,266,053,000	5,549,000,000	5,485,242,000	5,494,051,000	+227,998,000	-54,949,000	+8,809,000
Military Personnel, Air Force	18,940,731,000	19,908,200,000	19,657,077,000	19,661,194,000	+720,463,000	-247,006,000	+4,117,000
Reserve Personnel, Army	2,323,210,000	2,278,500,000	2,211,740,000	2,252,231,000	-70,979,000	-26,269,000	+40,491,000
Reserve Personnel, Navy	1,464,453,000	1,516,100,000	1,491,144,000	1,502,472,000	+38,019,000	-13,628,000	+11,328,000
Reserve Personnel, Marine Corps	303,968,000	294,700,000	290,066,000	292,856,000	-11,112,000	-1,844,000	+2,790,000
Reserve Personnel, Air Force	629,200,000	614,700,000	598,131,000	612,821,000	-16,379,000	-1,879,000	+14,690,000
National Guard Personnel, Army	3,323,145,000	3,217,700,000	3,178,713,000	3,199,938,000	-123,207,000	-17,762,000	+21,225,000
National Guard Personnel, Air Force	1,027,778,000	980,000,000	975,811,000	977,390,000	-50,388,000	-2,610,000	+1,579,000
Total, title I, Military Personnel: New budget (obligational) authority	72,737,378,000	76,299,200,000	75,297,165,000	75,448,414,000	+2,711,036,000	-850,786,000	+151,249,000
TITLE II							
OPERATION AND MAINTENANCE							
Operation and Maintenance, Army	20,181,625,000	22,120,394,000	20,683,277,000	20,941,050,000	+759,425,000	-1,179,344,000	+257,773,000
Operation and Maintenance, Navy	23,166,904,000	25,652,830,000	23,901,188,000	23,791,997,000	+625,093,000	-1,860,833,000	-109,191,000
Operation and Maintenance, Marine Corps	1,802,050,000	1,918,367,000	1,840,992,000	1,799,714,000	-2,336,000	-118,653,000	-41,278,000
Operation and Maintenance, Air Force	18,736,920,000	21,325,282,000	19,881,516,000	19,888,916,000	+1,151,996,000	-1,436,366,000	+7,400,000

Operation and Maintenance, Defense Agencies...........	8,514,434,000	7,602,907,000	7,044,011,000	7,176,276,000	-1,338,158,000	-426,631,000	+132,265,000
Operation and Maintenance, Army Reserve...............	782,433,000	879,103,000	844,851,000	859,703,000	+77,270,000	-19,400,000	+14,852,000
Operation and Maintenance, Navy Reserve...............	887,932,000	957,115,000	926,899,000	940,138,000	+52,206,000	-16,977,000	+13,239,000
Operation and Maintenance, Marine Corps Reserve.......	64,013,000	71,361,000	67,938,000	68,621,000	+4,608,000	-2,740,000	+683,000
Operation and Maintenance, Air Force Reserve..........	923,952,000	1,018,257,000	994,767,000	997,391,000	+73,439,000	-20,866,000	+2,624,000
Operation and Maintenance, Army National Guard........	1,752,398,000	1,862,152,000	1,855,978,000	1,838,951,000	+86,553,000	-23,201,000	-17,027,000
Operation and Maintenance, Air National Guard.........	1,783,755,000	1,972,992,000	1,950,191,000	1,958,737,000	+174,982,000	-14,255,000	+8,546,000
National Board for the Promotion of Rifle Practice, Army..	4,323,000	4,099,000	4,095,000	4,099,000	-224,000	---	+4,000
Claims, Defense.......................................	144,400,000	273,574,000	273,574,000	---	-144,400,000	-273,574,000	-273,574,000
Court of Military Appeals, Defense....................	3,237,000	3,461,000	3,241,000	3,241,000	+4,000	-220,000	---
Tenth International Pan American Games................	15,000,000	---	---	---	-15,000,000	---	---
Environmental Restoration, Defense....................	375,900,000	402,800,000	392,800,000	402,800,000	+26,900,000	---	+10,000,000
Humanitarian Assistance...............................	10,000,000	---	10,000,000	13,000,000	+3,000,000	+13,000,000	+3,000,000
Humanitarian Assistance Reappropriation...........	7,000,000	---	---	---	-7,000,000	---	---
Total, title II, Operation and Maintenance: New budget (obligational) authority...........	79,156,276,000	86,064,694,000	80,675,318,000	80,684,634,000	+1,528,358,000	-5,380,060,000	+9,316,000

TITLE III

PROCUREMENT

Aircraft Procurement, Army............................	2,780,750,000	2,473,959,000	2,587,357,000	2,672,582,000	-108,168,000	+198,623,000	+85,225,000
Missile Procurement, Army.............................	2,206,800,000	2,458,466,000	2,263,628,000	2,358,150,000	+151,350,000	-100,316,000	+94,522,000
Procurement of Weapons and Tracked Combat Vehicles, Army..	3,804,300,000	3,152,537,000	3,140,637,000	3,231,313,000	-572,987,000	+78,776,000	+90,676,000
Procurement of Ammunition, Army.......................	2,087,150,000	2,194,275,000	1,978,413,000	2,211,723,000	+124,573,000	+17,448,000	+233,310,000
Other Procurement, Army...............................	5,118,752,000	5,870,860,000	5,133,387,000	4,890,326,000	-228,426,000	-980,534,000	-243,061,000
Aircraft Procurement, Navy............................	9,977,262,000	9,924,883,000	9,580,206,000	8,765,346,000	-1,211,916,000	-1,159,537,000	-814,860,000
Weapons Procurement, Navy.............................	5,290,847,000	6,502,332,000	5,365,860,000	5,944,502,000	+653,655,000	-557,830,000	+578,642,000
Shipbuilding and Conversion, Navy.....................	10,210,989,000	11,065,355,000	8,171,655,000	16,234,255,000	+6,023,266,000	+5,168,900,000	+8,062,600,000
Other Procurement, Navy...............................	6,033,371,000	4,983,827,000	5,012,295,000	4,722,334,000	-1,311,037,000	-261,493,000	-289,961,000
Coastal Defense Augmentation..........................	200,000,000	---	20,000,000	---	-200,000,000	---	-20,000,000
Procurement, Marine Corps.............................	1,465,215,000	1,402,440,000	1,273,332,000	1,332,827,000	-132,388,000	-69,613,000	+59,495,000
Aircraft Procurement, Air Force.......................	17,253,281,000	14,191,371,000	11,382,355,000	13,013,735,000	-4,239,546,000	-1,177,636,000	+1,631,380,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1987 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1988—Continued

[Amounts in dollars]

Item (1)	1987 appropriation [1] (2)	Budget estimate [2] (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −): 1987 appropriation (6)	Budget estimate (7)	House allowance (8)
Missile Procurement, Air Force	7,446,718,000	9,772,693,000	7,810,893,000	7,780,295,000	+333,577,000	-1,992,398,000	-30,598,000
Other Procurement, Air Force	9,326,326,000	8,570,482,000	8,082,632,000	7,913,593,000	-1,412,733,000	-656,889,000	-169,039,000
National Guard and Reserve Equipment	557,000,000	---	912,000,000	916,000,000	+359,000,000	+916,000,000	+4,000,000
Procurement, Defense Agencies	1,498,256,000	1,292,391,000	1,195,833,000	1,194,034,000	-304,222,000	-98,357,000	-1,799,000
Defense Production Act Purchases	13,000,000	30,800,000	13,000,000	13,000,000	---	-17,800,000	---
Total, title III, Procurement: New budget (obligational) authority	85,270,017,000	83,886,671,000	73,923,483,000	83,194,015,000	-2,076,002,000	-692,656,000	+9,270,532,000
TITLE IV							
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Research, Development, Test, and Evaluation, Army	4,571,367,000	5,511,172,000	4,445,362,000	4,937,166,000	+365,799,000	-574,006,000	+491,804,000
Research, Development, Test, and Evaluation, Navy	9,334,928,000	10,448,112,000	8,634,560,000	9,535,619,000	+200,691,000	-912,493,000	+901,059,000
Research, Development, Test, and Evaluation, Air Force	15,076,698,000	18,623,383,000	16,119,705,000	14,322,604,000	-754,094,000	-4,300,779,000	-1,797,101,000
Research, Development, Test, and Evaluation, Defense Agencies	6,822,371,000	8,811,532,000	6,198,116,000	7,656,566,000	+834,195,000	-1,154,966,000	+1,458,450,000
Developmental Test and Evaluation, Defense	105,546,000	178,217,000	192,410,000	169,337,000	+63,791,000	-8,880,000	-23,073,000
Operational Test and Evaluation, Defense	11,300,000	104,221,000	57,221,000	83,221,000	+71,921,000	-21,000,000	+26,000,000
Total, title IV, Research, Development, Test, and Evaluation: New budget (obligational) authority	35,922,210,000	43,676,637,000	35,647,374,000	36,704,513,000	+782,303,000	-6,972,124,000	+1,057,139,000

SPECIAL FOREIGN CURRENCY PROGRAM							
Special foreign currency program	3,500,000	---	---	---	-3,500,000	---	---
TITLE V							
REVOLVING AND MANAGEMENT FUNDS							
Army Stock Fund	110,100,000	263,207,000	193,207,000	193,207,000	+83,107,000	-70,000,000	---
Navy Stock Fund	352,570,000	404,400,000	329,400,000	329,400,000	-23,170,000	-75,000,000	---
Marine Corps Stock Fund	822,000	---	---	---	-822,000	---	---
Air Force Stock Fund	139,980,000	326,007,000	226,007,000	226,007,000	+86,027,000	-100,000,000	---
Defense Stock Fund	47,200,000	207,600,000	132,600,000	132,600,000	+85,400,000	-75,000,000	---
Total, title V, Revolving and Management Funds: New budget (obligational) authority	650,672,000	1,201,214,000	881,214,000	881,214,000	+230,542,000	-320,000,000	---
TITLE VI							
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE 3/							
Operation and maintenance	59,900,000	83,900,000	97,000,000	97,000,000	+37,100,000	+13,100,000	---
Research, development, test, and evaluation	9,600,000	3,500,000	4,900,000	4,900,000	-4,700,000	+1,400,000	---
Procurement	49,200,000	---	96,600,000	96,600,000	+47,400,000	+96,600,000	---
Total, title VI, Chemical Agents and Munitions Destruction, Defense: New budget (obligational) authority	118,700,000	87,400,000	198,500,000	198,500,000	+79,800,000	+111,100,000	---
TITLE VII							
RELATED AGENCIES							
Central Intelligence Agency Retirement and Disability System Fund	125,800,000	134,700,000	134,700,000	134,700,000	+8,900,000	---	---
Intelligence Community Staff	21,893,000	24,272,000	22,500,000	23,614,000	+1,721,000	-658,000	+1,114,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1987 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1988—Continued

[Amounts in dollars]

Item	1987 appropriation [1]	Budget estimate [2]	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or -)		
					1987 appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
The Barry Goldwater Scholarship and Excellence in Education Fund	40,000,000	---	---	---	-40,000,000	---	---
The Henry M. Jackson Foundation	10,000,000	---	---	---	-10,000,000	---	---
Total, title VII, Related Agencies: New budget (obligational) authority	197,693,000	158,972,000	157,200,000	158,314,000	-39,379,000	-658,000	+1,114,000
TITLE VIII							
GENERAL PROVISIONS							
(Additional transfer authority, sec. 8015)	(1,100,000,000)	(1,500,000,000)	(1,500,000,000)	(1,100,000,000)	---	(-400,000,000)	(-400,000,000)
Rescissions (sec. 8043)	(-5,323,877,000)	---	(-3,902,743,000)	(-3,548,140,000)	(+1,775,737,000)	(-3,548,140,000)	(+354,603,000)
Military and Civilian Pay Raise	1,911,000,000	2,513,120,000	---	775,000,000	-1,136,000,000	-1,738,120,000	+775,000,000
Retired pay accrual change	-350,000,000	---	---	---	+350,000,000	---	---
Total, title VIII, General Provisions: New budget (obligational) authority	1,561,000,000	2,513,120,000	---	775,000,000	-786,000,000	-1,738,120,000	+775,000,000
RECAPITULATION							
Title I - Military Personnel	72,737,378,000	76,299,200,000	75,297,165,000	75,448,414,000	+2,711,036,000	-850,786,000	+151,249,000
Title II - Operation and Maintenance	79,156,276,000	86,064,694,000	80,675,318,000	80,684,634,000	+1,528,358,000	-5,380,060,000	+9,316,000
Title III - Procurement	85,270,017,000	83,886,671,000	73,923,483,000	83,194,015,000	-2,076,002,000	-692,656,000	+9,270,532,000

Title IV - Research, Development, Test, and Evaluation	35,922,210,000	43,676,637,000	35,647,374,000	36,704,513,000	+782,303,000	-6,972,124,000	+1,057,139,000
Special foreign currency program......................	3,500,000	---	---	---	-3,500,000	---	---
Title V - Revolving and management funds / S.T.S......	650,672,000	1,201,214,000	881,214,000	881,214,000	+230,542,000	-320,000,000	---
Title VI - Chemical Agents and Munitions Destruction, Defense 3/............................	118,700,000	87,400,000	198,500,000	198,500,000	+79,800,000	+111,100,000	---
Title VII - Related agencies..........................	197,693,000	158,972,000	157,200,000	158,314,000	-39,379,000	-658,000	+1,114,000
Title VIII - General provisions.......................	1,561,000,000	2,513,120,000	---	775,000,000	-786,000,000	-1,738,120,000	+775,000,000
(Additional transfer authority, sec. 8015)..........	(1,100,000,000)	(1,500,000,000)	(1,500,000,000)	(1,100,000,000)	---	(-400,000,000)	(-400,000,000)
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Total, Department of Defense (NOA)..............	275,617,446,000	293,887,908,000	266,780,254,000	278,044,604,000	+2,427,158,000	-15,843,304,000	+11,264,350,000
(Transfer authority)........................	(1,100,000,000)	(1,500,000,000)	(1,500,000,000)	(1,100,000,000)	---	(-400,000,000)	(-400,000,000)
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Distribution by organizational component:							
Army.......................................	71,400,343,000	75,967,624,000	71,983,091,000	73,073,571,000	+1,673,228,000	-2,894,053,000	+1,090,480,000
Navy.......................................	92,926,227,000	98,949,922,000	90,337,572,000	98,726,461,000	+5,800,234,000	-223,461,000	+8,388,889,000
Air Force..................................	91,285,339,000	97,303,367,000	87,679,085,000	87,352,683,000	-3,932,656,000	-9,950,684,000	-326,402,000
Defense Agencies/OSD.......................	17,571,144,000	18,907,503,000	15,512,806,000	16,844,075,000	-727,069,000	-2,063,428,000	+1,331,269,000
Reserve & National Guard (procurement)......	557,000,000	---	912,000,000	916,000,000	+359,000,000	+916,000,000	+4,000,000
Chemical Agents and Munitions Destruction, Defense.................................	118,700,000	87,400,000	198,500,000	198,500,000	+79,800,000	+111,100,000	---
Related agencies...........................	197,693,000	158,972,000	157,200,000	158,314,000	-39,379,000	-658,000	+1,114,000
Rescissions................................	(-5,323,877,000)	---	(-3,902,743,000)	(-3,548,140,000)	(+1,775,737,000)	(-3,548,140,000)	(+354,603,000)
Military and civilian pay raise.............	1,911,000,000	2,513,120,000	---	775,000,000	-1,136,000,000	-1,738,120,000	+775,000,000
Retired pay accrual change..................	-350,000,000	---	---	---	+350,000,000	---	---
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Total, Department of Defense (NOA)........	275,617,446,000	293,887,908,000	266,780,254,000	278,044,604,000	+2,427,158,000	-15,843,304,000	+11,264,350,000
(Transfer authority).................	(1,100,000,000)	(1,500,000,000)	(1,500,000,000)	(1,100,000,000)	---	(-400,000,000)	(-400,000,000)

1/ FY 1987 Enacted includes supplemental action.

2/ Incl. budget amendment in Senate Doc. 100-12.

3/ Included in procurement title in budget.